Province of
British Columbia

Ministry of
Finance

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Province of British Columbia
Ministry of Finance

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Minister

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MESSAGE FROM THE MINISTER

For nearly half a century, the British Columbia *Financial and Economic Review* has annually presented information on the activities and finances of the provincial government and its Crown corporations, enterprises and agencies. It is my pleasure to release the forty-fourth edition of the Review.

It remains a valuable reference document for the professional researcher and provides up-to-date and informative reading for the reader seeking general, or specific knowledge of British Columbia's finances and its economy.

The *Financial and Economic Review* includes preliminary financial statements for the 1983/84 fiscal year and, in so doing contributes to the financial accountability of the provincial government.

HUGH A. CURTIS
Minister of Finance

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1. Economic Review

General Observations

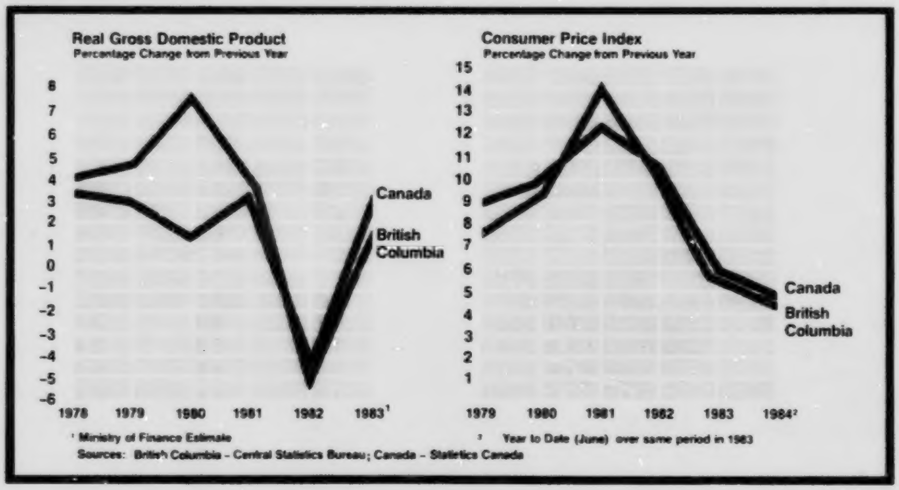
The British Columbia economy began to recover from the 1981-82 world recession early in 1983 as lumber exports to the United States increased significantly. The pace of recovery slowed in the second half of the year as lumber production reached capacity and other sectors showed little improvement over 1982.

Real gross domestic product in British Columbia is estimated to have increased 1.5 per cent in 1983, following a decline of 5.1 per cent in 1982 (*see* Chart 1.1). Real gross national product in both Canada and the United States increased 3.3 per cent in 1983.

The uneven basis of the 1983 recovery in the province is illustrated by the fact that exports increased 11.8 per cent and retail sales increased 4.2 per cent, while capital investment declined 8.1 per cent. After growing strongly in the first few months of 1983, employment declined and on average was 0.6 per cent lower than in 1982. For detailed statistical indicators of economic activity in the province *see* Appendix 1.

Inflation, as measured by the change in the Vancouver Consumer Price Index, averaged 5.5 per cent in 1983, down significantly from 10.5 per cent in 1982 and 14.3 per cent in 1981. This decline reflects the impact of the provincial government's restraint program and the continuing effect of the restrictive policies of the United States and Canadian monetary authorities.

Chart 1.1 Principal Economic Indicators



[1] Ministry of Finance Estimate

[2] Year to Date (June) over same period in 1983

Sources: British Columbia – Central Statistics Bureau; Canada – Statistics Canada

British Columbia Exports: Thirty Years of Change

British Columbia's economy depends on exports of products processed from its extensive natural resource base. The importance of exports has not changed significantly in the past thirty years; exports normally account for about 25 to 30 per cent of GDP. Nonetheless, British Columbia exports have undergone great change since 1952. The clearest trend is a gradual shift in markets away from the United States and the United Kingdom and toward Japan, other Asian countries and Western Europe. Table 1 shows that the strongest growth has occurred in exports to countries that were relatively unimportant customers for British Columbia in 1952.

Table 1: British Columbia: Destination of Exports ($ millions)

	1952		1962		1972		1982		1983[1]	
	Value	%	Value	%	Value	%	Value	%	Value	%
United States	285	58.6	605	64.9	1615	58.6	3993	45.0	4961	50.0
Japan	18	3.7	67	7.2	466	16.9	2132	24.0	2214	22.3
United Kingdom	133	27.3	128	13.7	201	7.3	446	5.0	452	4.5
EEC 6[2]	11	2.3	40	4.3	239	8.7	915	10.3	822	8.3
China (PRC)	—	—	—	—	6	0.2	173	2.0	232	2.3
South Korea	—	—	—	—	12	0.4	180	2.0	243	2.5
Taiwan (ROC)	—	—	—	—	6	0.2	84	1.0	142	1.4
Other[3]	40	8.1	92	9.9	211	7.5	954	10.8	861	8.7
Total	486	100.0	932	100.0	2758	100.0	8877	100.0	9925	100.0

[1] Preliminary.

[2] Germany (Federal Republic), France, Italy, Netherlands, Belgium, Luxembourg.

[3] Includes China, South Korea and Taiwan in 1952 and 1962.

Note: Columns may not add to totals because of rounding; percentages calculated using unrounded data.

The composition of products exported has also changed as shown in Table 2. In 1952, British Columbia's three major export products by value were lumber, lead and newsprint; in 1983 the three major exports were lumber, pulp and coal. Lumber remains the principal export, and except for the current cyclical downturn its share of total exports has remained relatively stable at around 30 per cent. Coal exports had not been important since the early part of this century, but were revitalized by increased sales of metallurgical coal to Japan in the 1970's. In spite of these changes to the list of principal export goods, the province remains heavily dependent on the export of a few major commodities.

It is no coincidence that both the destination and composition of British Columbia exports have changed, as each of the province's trading partners has its own unique blend of natural and human resources. Major exports to the United States include lumber, natural gas, pulp and newsprint. Japan imports coal, lumber, pulp, copper, aluminum and fish products, while the EEC 6 group imports pulp, lumber, metals and salmon. Postwar growth in Japan and Western Europe provided growing markets for British Columbia, changing the export product mix accordingly.

Table 2: British Columbia: Export Share of Principal Products (per cent)

	1952	1962	1972	1982	1983	Average Annual Growth 1952–1983
						%
Lumber	35.5	32.6	33.0	20.8	26.5	9.2
Pulp	7.4	13.3	15.3	17.1	14.4	12.6
Coal	negl.	negl.	2.6	8.6	8.3	24.9[1]
Newsprint	8.3	11.4	6.7	6.4	5.8	9.0
Natural Gas	nil	1.8	2.7	5.8	4.5	16.8[2]
Fish Products	5.8	4.0	3.8	4.1	3.6	8.6
Aluminum Ingots	nil	5.6	3.8	3.7	3.1	8.8[2]
Copper Ore and Ingots	2.0	2.5	6.7	3.3	3.7	12.4
Lead Ore and Ingots	8.7	2.2	1.1	0.6	0.4	0.0
Zinc Ore and Ingots	6.6	3.5	2.2	2.6	1.9	5.9
Chemical Fertilizer	5.4	2.8	1.3	0.5	0.6	2.5
Cedar Shingles and Shakes	4.1	2.5	2.2	1.6	2.2	8.0
Other	16.2	17.8	18.7	24.8	25.0	11.8
Total	100.0	100.0	100.0	100.0	100.0	10.2

[1] Average annual growth rate from 1972 to 1983.

[2] Average annual growth rate from 1962 to 1983.

Note: Columns may not add to totals because of rounding.

Continued . . .

The next 30 years will probably see further evolution in the mix of export products, as British Columbia producers strengthen trade ties with the Pacific Rim and increase exports to the the growing market of the "newly-industrializing countries" (NICs) of Asia, the Middle East and Southern Europe. Relative to British Columbia, the NICs tend to have a poor resource base and plentiful but unskilled labour. For this reason, British Columbia has a comparative advantage in products which make use of the province's natural resources and skilled labour force.

Since 1972, exports to five countries (China, South Korea, Hong Kong, Singapore and Taiwan) have shown particularly rapid growth, increasing their share from 1.4 per cent of total exports in 1972 to 7.0 per cent in 1983. In addition, exports to Algeria, Pakistan, Indonesia, Malaysia, Greece and Spain have shown strong growth since 1972. These and other countries offer further export growth potential.

Over the next thirty years the NICs are likely to require more of British Columbia's traditional exports of processed forest and mining products, as well as specialized service and equipment exports such as engineering, telecommunications, information processing, resource exploration, financial and other consulting services. Various types of specialized equipment developed in British Columbia are already being sold to traditional customers, and it should be possible to expand sales of these goods worldwide.

Trade with the NICs offers several challenges; collectively they are a large market, but individually most are small, with different requirements. Sales to these new customers should be seen not as a replacement for trade with the United States, Japan and Western Europe, but as the best opportunity for the export growth so vital to British Columbia.

Exports

Exports led the provincial recovery in 1983, increasing 11.8 per cent after two years of decline. As a result of the strength in the United States housing market, there was an improvement in lumber sales early in the year. This caused an increase of 42.6 per cent in the value of total lumber exports and an increase of 74.5 per cent in lumber exports to the United States. Exports of shakes, plywood and logs also increased significantly, causing total exports of wood products to increase by approximately 40 per cent.

Markets for other export goods did not experience the same degree of improvement as the wood products market. Exports of pulp and paper declined 2.7 per cent, and the value of mineral exports increased only 1.9 per cent. Coal exports, however, increased 8.0 per cent.

Table 1.1

Exports of British Columbia Products to Major Countries

	Value 1982	Value 1983	Change 1982–1983	Per Cent of Total 1973	Per Cent of Total 1983
	($ millions)		(per cent)		
United States	3,992.4	**4,960.6**	24.3	52.6	**50.0**
Japan	2,131.6	**2,213.6**	3.8	24.2	**22.3**
United Kingdom	446.1	**451.5**	1.2	8.5	**4.5**
Other European Common Market countries[1]	976.0	**870.4**	−10.8	7.7	**8.8**
Australia	164.9	**135.0**	−18.1	1.9	**1.4**
Other countries	1,165.9	**1,293.9**	11.0	5.1	**13.0**
Total	8,876.9	**9,925.0**	11.8	100.0	**100.0**

[1] Ireland, Denmark, Belgium, Luxembourg, France, Germany (Federal Republic), Netherlands, Italy and Greece.

Exports to the United States accounted for 50.0 per cent of the province's exports in 1983, compared to 45.0 per cent in 1982. This reversal of the previous trend toward less dependency on the United States market reflects the great strength of the recovery in the United States in contrast to relatively weak growth in other industrial and most less-developed countries.

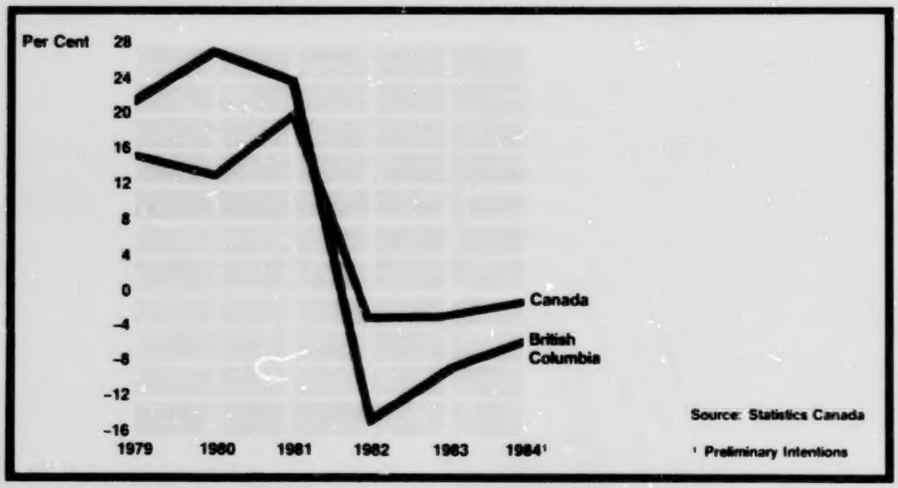
Consumption

Retail sales in British Columbia increased 4.2 per cent in 1983, following a decline of 1.9 per cent in 1982. The slow growth in consumer spending was due to weak growth in personal income caused by moderate wage settlements and lower average employment than in 1982. Consumer confidence remained low as a result of the high level of unemployment and the uncertain nature of the recovery.

Investment

Capital investment declined 8.1 per cent in 1983, following a decline of 15.0 per cent in 1982 (*see* Chart 1.2). Capital investment declined in all sectors of the British Columbia economy, except for institutions and government departments which increased investment by 5.6 per cent in 1983. The weakness of investment reflects the low rate of capacity utilization in the early stage of the recovery and the poor financial position of many corporations following the 1981-82 recession. By comparison, Canadian capital investment decreased 3.0 per cent in 1983 after declining 3.6 per cent in 1982. Repair expenditure increased 3.7 per cent in British Columbia in 1983 and 2.9 per cent in Canada.

Chart 1.2 Annual Growth in Fixed Capital Investment



Source: Statistics Canada

¹ Preliminary Intentions

Labour Market

The uneven nature of the recovery in 1983 also affected labour markets. Seasonally-adjusted employment increased rapidly in the early months of 1983 and then declined in the second half of the year, as the recovery failed to spread beyond the lumber industry. Average employment in 1983 was 0.6 per cent lower than in 1982, while the labour force increased 1.4 per cent. As a result, the unemployment rate rose to 13.8 per cent from 12.1 per cent in 1982 (*see* Chart 1.3).

British Columbia Labour Market Developments

The high unemployment rates of recent years have drawn increasing public attention to labour market statistics. The revised labour force survey introduced by Statistics Canada in 1975 offers more detailed information than was previously available. Several trends are revealed by the data.

Since 1961, the British Columbia economy has typically grown faster than Canada as a whole, and British Columbia employment has mirrored this trend. Employment grew by an average of 4.4 per cent annually in British Columbia between 1961 and 1981, compared to 3.0 per cent for Canada. Stronger growth drew new residents to British Columbia, expanding the provincial population and work force more rapidly than the Canadian average. This rapid growth was made possible by the strong growth in world demand for British Columbia's resource products.

Since 1982, the unemployment rate in British Columbia has been higher than the Canadian average. This relationship is not new; since 1966 the British Columbia annual average unemployment rate has been below Canada's only twice, in 1980 and 1981. There are many factors which explain the province's higher unemployment rate, including the mild climate and high wages, which induce job-seekers to travel here and may allow them to remain unemployed longer, relatively harsh conditions at logging and mining sites which induce high turnover, and the prevalence of seasonal employment in major industries such as forestry and tourism. British Columbia's unemployment rate has generally been 1.0 to 1.5 percentage points higher than the Canadian average in non-recession years, rising to 1.5 to 2.0 points higher during recessions. In 1982, the province's unemployment rate rose sharply as a result of the recession. Although growth in output has resumed in British Columbia, employment growth has lagged behind; firms which cut staff and boosted productivity to survive the recession are being cautious about rehiring.

Male and Female Employment

Female participation in the labour force has risen steadily through the 1960's and 1970's, reflecting changing values, different family structures and economic pressures. Between 1975 and 1983, the female participation rate (female labour force as a percentage of female labour force-age population) in British Columbia rose from 45.2 per cent to 52.4 per cent. A similar increase was experienced in Canada and the United States during the same period.

In the past, female unemployment rates have usually been higher than male rates, reflecting both the pressure of new entrants and the more frequent movement of women into and out of the work force. Past recessions occasionally raised the male unemployment rate slightly above the female rate, but the 1981-82 recession had a dramatic impact, as the male unemployment rate in British Columbia has been above the female rate since December 1981. The same tendency appeared in all other provinces and in the United States.

The crossover of male and female unemployment rates in North America appears more remarkable when the behaviour of male and female participation rates over the business cycle is taken into account. Men tend to leave the labour force during recessions (the so-called discouraged worker effect), which lowers the measured male unemployment rate. Women, on the other hand, tend to enter the labour force at least as quickly during downturns, probably reflecting families' desires to maintain incomes, raising the measured female unemployment rate. Although male participation tends to rise during recovery, female rates do not fall correspondingly; recessions appear to draw some women into the labour force permanently.

Industry Differences

The distribution of employment by industry reveals the reason British Columbia's unemployment rate rises more than Canada's during recessions, and explains why men have experienced higher unemployment than women in this recession. Relative to Canada, British Columbia has less employment in agriculture, manufacturing and public administration, and more employment in non-agricultural primary industries (logging, mining, fishing), construction, transportation, utilities, trade and other services. Across Canada and in British Columbia, the largest percentage job losses between 1981 and 1983 occurred in non-agricultural primary industry, manufacturing and construction. British Columbia's initial job losses in the recession were more serious than average because of the province's greater concentration of employment in the interest-rate-sensitive forest and mining industries. As the recession continued through 1982, in-migration declined sharply and the province's housing industry suffered. As is typical for booming regions, British Columbia had become dependent on continued growth to maintain the existing level of construction and other economic activity; once a downward cycle began it spread quickly to all sectors.

Men are concentrated in the sectors of the British Columbia economy where employment suffers first and most severely in a recession. Over 70 per cent of workers in logging, mining, fishing, manufacturing and construction are male, versus 58 per cent for the economy as a whole. In addition to cyclical factors, the well-established gradual trend away from goods-producing industries and toward services may also be maintaining male unemployment rates above female rates; the majority of new jobs are being created in fields traditionally preferred by women.

Continued . . .

British Columbia Labour Market Developments —
Continued

Part-time Employment

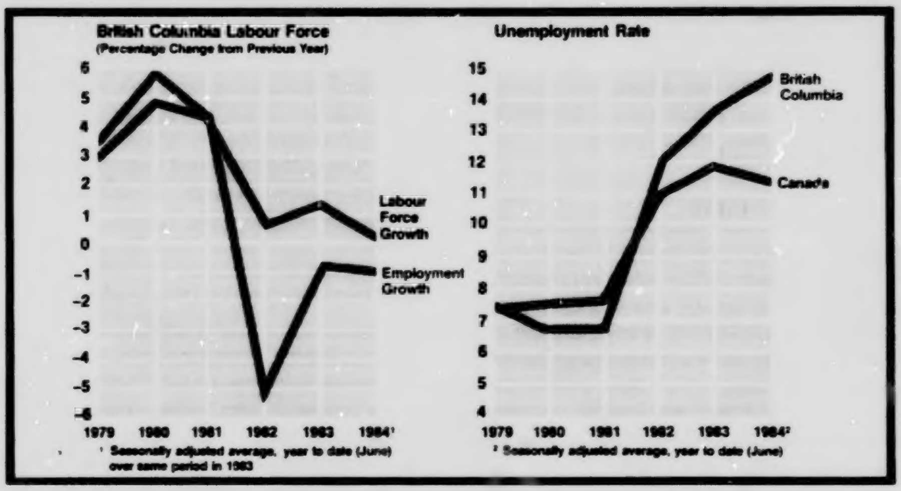
The recession also affected the balance between part-time and full-time work. Part-time work increased gradually from 1975 to 1981, chiefly due to the greater incidence of part-time work among women; in 1982 and 1983, part-time employment by men rose sharply as work-sharing and layoffs reduced the number of full-time jobs. Full-time employment is, however, the norm for both men (90 per cent of employed men work full-time) and women (nearly 70 per cent full-time).

Selected Labour Market Statistics, British Columbia and Canada

	British Columbia			Canada		
	Men	Women	Total	Men	Women	Total
Average Annual Growth in Employment 1970–1983 (per cent)	2.1	4.9	3.1	1.3	4.1	2.4
Unemployment Rates (per cent)						
1970	7.8	7.3	7.7	5.6	5.8	5.7
1975	8.0	9.4	8.5	6.2	8.1	6.9
1980	5.6	8.5	6.8	6.9	8.4	7.5
1981	6.0	7.7	6.7	7.0	8.3	7.5
1982	12.4	11.7	12.1	11.1	10.9	11.0
1983	14.5	12.9	13.8	12.1	11.6	11.9

In 1983, there were 88 work stoppages in the province, up substantially from 57 in 1982. These stoppages resulted in the loss of 769,000 worker-days, or slightly less than three-quarters of the previous year's level of 1.03 million. While the number of work stoppages was slightly higher in the goods-producing sector (46 compared to 42 in the service-producing sector), 75 per cent of total days lost were in the service-producing sector where a strike by provincial government employees resulted in more than 240,000 lost worker-days. Shutdowns in the mining industry accounted for the loss of an additional 86,000 worker-days.

Chart 1.3 Labour Market



[1] Seasonally adjusted average, year to date (June) over same period in 1983

[2] Seasonally adjusted average, year to date (June)

Prices and Incomes

Consumer prices in British Columbia, as measured by the Vancouver Consumer Price Index, rose 5.5 per cent in 1983, compared to an increase of 10.5 per cent in 1982. By comparison, inflation in Canada averaged 5.8 per cent in 1983 and 10.8 per cent in 1982. A substantial moderation in the rate of price increase occurred in all major categories of goods and services.

Personal income is estimated to have increased only 5.2 per cent in 1983, due to moderate wage settlements and lower average employment than in 1982. Wage settlements averaged 4.6 per cent in 1983, compared to 9.7 per cent in 1982. In 1982, personal income increased 9.4 per cent.

Current Situation

The provincial economy suffered a setback in early 1984 as a two-month labour dispute in the pulp and paper industry and a number of work stoppages in other sectors had an adverse effect on output. In addition, lumber prices declined to below year-earlier levels as a result of concerns that United States housing starts could be adversely affected by higher interest rates.

The volume of coal production increased 94.5 per cent in the first five months of 1984 from the same period of 1983 mainly due to the start of production from the north east coalfields. Retail sales were 6.1 per cent higher in the first six months of 1984 compared to one year earlier.

Wage settlements in the province in the first six months of 1984 averaged 2.8 per cent, while the inflation rate averaged 4.4 per cent in the same period. By August, recent employment gains had recovered all of the losses which had occurred since mid-1983. The seasonally-adjusted unemployment rate for August 1984 was 14.4 per cent compared to 13.9 per cent for August 1983. Inflation continued to decline and in August the Vancouver Consumer Price Index was 3.7 per cent higher than in August 1983.

2. Provincial Finances

Summary

The growth in provincial government revenue and expenditure during 1983/84 was evenly matched. Revenue was 11.2 per cent higher than the previous year and expenditure increased by 11.0 per cent.

The deficit of $1,077.3 million for 1983/84 was $93.1 million higher than in the previous year. The government's direct financial requirements, however, decreased from $1,249.5 million during 1982/83 to $777.0 million during 1983/84 as a result of significant cash receipts from changes in working capital. Financial requirements were met through $716.8 million in net direct borrowing and a decrease in the government's cash and temporary investments of $60.2 million.

Table 2.1
Combined Funds Summary of Financial Transactions

Preliminary, Unaudited	Budget 1983/84	**Actual 1983/84**	Actual 1982/83
		($ millions)	
Financial Requirements			
Operating Transactions:			
Revenue	6,842.0	**7,262.6**	6,529.1
Expenditure	8,445.0	**8,339.9**	7,513.3
Surplus (Deficit)	(1,603.0)	**(1,077.3)**	(984.2)
Financing and Working Capital Transactions:			
Net Receipts from (Disbursements for) Financing Transactions	(84.6)	**(44.1)**	(78.0)
Net Receipts from (Disbursements for) Working Capital Transactions	58.8	**344.4**	(187.3)
Total Direct Financial Requirements	(1,628.8)	**(777.0)**	(1,249.5)
Financial Sources			
Net Direct Borrowing	1,550.0	**966.5**	700.0
Less: Funds reloaned to Crown corporations	—	**249.7**	—
	1,550.0	**716.8**	700.0
Decrease in Cash and Temporary Investments	78.8	**60.2**	549.5
Total Direct Financial Sources	1,628.8	**777.0**	1,249.5

Revenue

For the fiscal year 1983/84, operating revenue was $7,262.6 million or $420.6 million above the budget estimate (*see* Table 2.2).

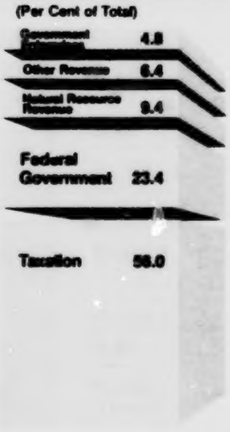
Taxation revenue of $4,063.4 million was $1.4 million higher than budget, and 5.0 per cent higher than during 1982/83. Revenue increases from 1982/83 were the result of the economic recovery and tax rate increases for social service tax, tobacco tax and fuel taxes.

Personal and corporation income taxes are collected for the provincial government by the federal government and revenue is paid to the provincial government during a year on the basis of federal estimates. Personal income tax revenue was $58.2 million below budget during 1983/84 as a result of higher than expected negative adjustments for prior years and lower than expected collections for the 1983 taxation year. Corporation income tax revenue was $83.5 million above budget as a result of lower than expected negative adjustments for prior years and higher than expected collections for the 1983 taxation year. Lower than expected consumer spending and business investment resulted in social service tax revenue being $23.7 million below budget.

Natural resource revenue of $679.8 million was $152.8 million above the budget estimate and 25.3 per cent higher than 1982/83. Petroleum and natural gas revenue was $151.9 million higher than budget as a result of higher than expected export and domestic natural gas sales, increased domestic prices for natural gas and higher than anticipated bonus bid revenue.

Forest revenue of $134.4 million was $3.4 million above budget and up 62.1 per cent from 1982/83 as a result of a recovery in United States housing construction activity. Continued weakness in the mining industry as well as lower levels of hydroelectric power generation resulted in decreases in mineral and water rental revenue during 1983/84.

Chart 2.1 Combined Funds Revenue by Source



Total revenue for 1983/84 was $7,262.6 million, an increase of 11.2 per cent over 1982/83. Contributions from the federal government (up 39.9 per cent) and natural resource revenue (up 25.3 per cent) showed the largest increases. Taxation revenue increased by 5.0 per cent with large increases in corporation income tax and social service tax being partially offset by a decline in personal income tax. Contributions from government enterprises increased by 3.8 per cent, while other revenue, including non-recurring revenue , declined by 17.0 per cent.

Other revenue of $413.1 million was $52.9 million below budget and down 16.3 per cent from 1982/83. An accounting change explains a portion of this variance. Prior to 1983/84, motor vehicle licences and permits were reported on a cash basis of accounting with revenue recorded at the time the licence was issued. Commencing in 1983/84, motor vehicle licences and permits are reported on an accrual basis of accounting with revenue recorded over the life of the licence. This results in a decrease in reported motor vehicle licence and permit revenue of approximately $70 million during this transitional year.

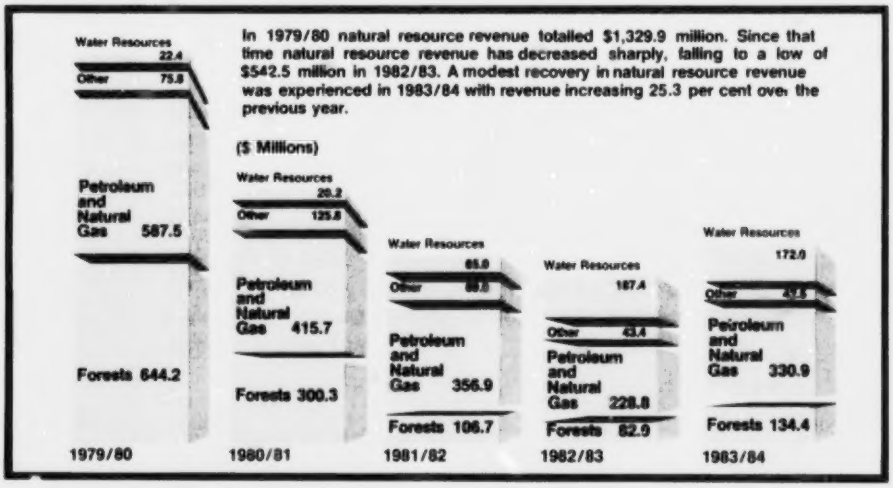
Table 2.2
Combined Funds Revenue by Source

	Budget 1983/84	Actual 1983/84	Actual 1982/83
		($ millions)	
Taxation Revenue:			
Personal income	1,877.0	1,818.8	2,008.2
Corporation income	226.0	309.5	188.6
Social service	1,225.0	1,201.3	999.4
Fuel	420.0	421.0	389.0
Other	314.0	312.8	284.5
	4,062.0	4,063.4	3,869.7
Natural Resource Revenue:			
Petroleum and natural gas	179.0	330.9	228.8
Minerals	34.0	31.6	32.5
Forests	131.0	134.4	82.9
Water	172.0	172.0	187.4
Other	11.0	10.9	10.9
	527.0	679.8	542.5
Other Revenue:			
Sales and services	162.0	180.0	150.4
Licences and permits	156.0	83.5	146.1
Interest	70.0	76.8	91.3
Miscellaneous	78.0	72.8	105.6
	466.0	413.1	493.4
Contributions from Government Enterprises:			
Liquor Distribution Branch	355.0	350.8	337.9
Contributions from Federal Government:			
Established Programs Financing	793.0	928.5	652.4
Canada Assistance Plan	490.0	532.2	460.0
Other	149.0	240.5	103.2
	1,432.0	1,701.2	1,215.6
Non-recurring Revenue	—	54.3	70.0
TOTAL OPERATING REVENUE	6,842.0	7,262.6	6,529.1

Profits of the Liquor Distribution Branch of $350.8 million were $4.2 million less than budget but 3.8 per cent higher than in 1982/83.

Contributions from the federal government of $1,701.2 million were $269.2 million above the budget estimate and 39.9 per cent higher than in 1982/83. Established Programs Financing revenue was $135.5 million above budget due to prior year adjustment payments of $72.9 million and an increase in cash entitlements for 1983/84 resulting primarily from the lower value of the personal income tax points used in calculating the federal transfer under the program. Canada Assistance Plan revenue of $532.2 million was 15.7 per cent higher than in 1982/83 and $42.2 million above budget. This variance was the result of higher than expected spending by the provincial government on cost-shared income assistance programs. Other federal contributions were $91.5 million above budget primarily as a result of an $80 million payment under the federal fiscal stabilization program, which provides some revenue protection to provinces which experience a decline in revenue from that received in the immediately preceding year.

Chart 2.2 Natural Resource Revenue



In 1979/80 natural resource revenue totalled $1,329.9 million. Since that time natural resource revenue has decreased sharply, falling to a low of $542.5 million in 1982/83. A modest recovery in natural resource revenue was experienced in 1983/84 with revenue increasing 25.3 per cent over the previous year.

Expenditure

For the 1983/84 fiscal year, operating expenditure was $8,339.9 million or $105.1 million below the budget estimate (*see* Table 2.3). Continued emphasis on restraint resulted in less than budgeted expenditure by a number of ministries.

Ministry of Health expenditure of $2,436.3 million in 1983/84 was $13.7 million below budget, but 5.9 per cent above spending in 1982/83. Not reflected in this expenditure was $130.1 million reported as an extraordinary item under the *Medical Service Act*. Prior to 1983/84, contributions from the provincial government to the Medical Services Plan have been reported on a cash basis of accounting. For the first time, in 1983/84 the provincial contribution to the Medical Services Plan was reported on an accrual basis of accounting, requiring a one-time adjustment of $130.1 million. This is the amount due to the Medical Services Commission at March 31, 1984, and is included in 1983/84 expenditure.

Accounting Policies

The financial information presented in this chapter has been extracted from the preliminary financial statements prepared by the Office of the Comptroller General (*see* Appendix 7). After the Auditor General has examined and issued her report on the full statements, they will be published as the Public Accounts of British Columbia in accordance with the provisions of the *Financial Administration Act*.

Government Accounting Policies

A full statement of the provincial government's accounting policies is contained in the Public Accounts. The most important features of the policies can be summarized as follows:

- The main reporting entity is the Consolidated Revenue Fund (Combined Funds), which combines the General Fund and Special Funds.
- All revenue and expenditure of the Consolidated Revenue Fund is recorded on an accrual basis of accounting, with certain limited exceptions.
- Assets are recorded on the government's balance sheet only to the extent that they represent financial claims by the government. Similarly, liabilities are recorded only if they represent financial claims against the government. Payments to acquire fixed assets are recorded as expenditure.

Government Accounts

The Consolidated Revenue Fund, which includes the General Fund and Special Funds, comprises all money over which the Legislature has the power of appropriation. The General Fund includes the principal operating accounts and Special Accounts of the provincial government. Special Accounts are statutory appropriations established by the Legislature to fund specific programs, which may extend over several fiscal years. Special Funds consist of certain earmarked revenues and money set aside in past years using General Fund surpluses and current revenue.

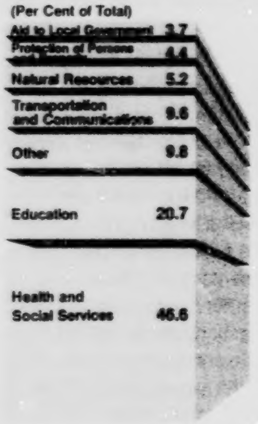
Transactions of the Consolidated Revenue Fund are classified as either operating or financing and working capital transactions. Operating transactions include direct expenditure on goods and services, transfer payments and grants, as well as revenue from taxation, royalties, fees and licences, contributions from government enterprises and payments from the federal government. The excess (shortfall) of revenue over expenditure represents the annual surplus (deficit) of the Consolidated Revenue Fund. Financing and working capital transactions represent either a source or use of funds. They do not cause a change in net equity but only a change in the composition of the provincial government's assets and liabilities.

Expenditures from Special Funds are authorized by the legislation which established them and do not require annual approval of the Legislature. General Fund operating expenditure must be included in the *Estimates* and authorized under the *Supply Act* with the exception of certain statutory items. Transfers between the General Fund and Special Funds are eliminated in the combined funds tables. A reconciliation between Consolidated Revenue Fund revenue and expenditure, and those of the General and Special Funds, is shown in Appendix 7.

The net equity (net deficiency) of the provincial government is the difference between the provincial government's financial assets and its financial liabilities. The annual surplus (deficit) on transactions of the Consolidated Revenue Fund is credited to (charged against) net equity.

The financial interest of the government in provincial Crown corporations and enterprises is included in the provincial government's accounts only to the extent of the amounts actually invested in, or advanced to, these entities, which do not record their main financial transactions through the Consolidated Revenue Fund. Therefore, the main financial statements of the provincial government do not reflect the earnings or deficits of provincial Crown corporations and enterprises, except for those whose primary function is to raise revenue for the provincial government.

Chart 2.3 Combined Funds Expenditure by Function



Total expenditure for 1983/84 was $8,339.9 million, an increase of 11.0 per cent over 1982/83. Expenditure on health and social services totalled $3,889.3 million during 1983/84, up 13.8 per cent over the previous year. Education expenditure during 1983/84 of $1,728.7 million was 3.6 per cent higher than in 1982/83. Transportation and communications expenditure of $799.8 million was up 34.7 per cent due to expenditure on highway construction made from the Employment Development Account.

Although the economy improved during 1983/84, employment did not expand at the rate anticipated in the budget. As a result, expenditure of $1,378.5 million by the Ministry of Human Resources was $10.2 million above budget and 16.9 per cent higher than expenditure in the previous year. An over-expenditure on the provincial GAIN program was partially offset by savings in other programs.

Ministry of Education expenditure of $1,369.8 million was $36.9 million below budget due to an accounting adjustment in the reporting of school district grants and to restraint measures implemented by the ministry. Compared to the previous year, however, Ministry of Education expenditure increased by 8.3 per cent. Spending by the Ministry of Universities, Science and Communications was $13.4 million above budget mainly due to a special grant paid to fund a building for an engineering school at the University of Victoria.

The government undertook major employment generating projects through the Ministry of Transportation and Highways and the Employment Development Account during 1983/84. Ministry of Transportation and Highways expenditure of $561.7 million was slightly less than budget. Employment Development Account spending of $239.8 million was also slightly less than budget, but almost double the level of expenditure of the previous year.

Ministry of Finance expenditure of $222.3 million was $111.2 million below budget because expenditure for contingencies and interest on direct debt was substantially below that anticipated when the budget was prepared. Interest on direct debt of $112.3 million was up sharply from 1982/83 but $68.7 million below budget. Lower than anticipated interest rates, later borrowing than expected and a lower deficit contributed to this saving.

Expenditure of the Ministry of Industry and Small Business Development totalling $111.8 million was $29.1 million below budget. During 1983/84, a $16 million payment was made to the British Columbia Railway Company in return for shares in the railway. At the time the budget was prepared, it was anticipated that this payment would take the form of a grant rather than an investment. Lower than expected expenditure on federal/provincial shared cost programs and the transfer of expenditure for the Discovery Enterprise Program to the Ministry of Universities, Science and Communications account for the remaining variance.

Table 2.3
Combined Funds Expenditure by Ministry

	Budget 1983/84	**Actual 1983/84**	Actual 1982/83
		($ millions)	
Legislation	7.6	**7.6**	7.1
Auditor General	3.2	**3.1**	3.1
Ombudsman	1.6	**1.6**	1.6
Premier's Office	0.7	**0.6**	0.7
Agriculture and Food	81.7	**78.4**	81.8
Attorney General	330.2	**331.5**	309.8
Consumer and Corporate Affairs	19.1	**18.5**	19.1
Education	1,406.7	**1,369.8**	1,264.9
Energy, Mines and Petroleum Resources	25.6	**22.2**	24.5
Environment	82.9	**80.2**	83.2
Finance	333.5	**222.3**	163.9
Forests	242.6	**215.3**	223.5
Health	2,450.0	**2,436.3**	2,300.1
Human Resources	1,368.3	**1,378.5**	1,178.8
Industry and Small Business Development	140.9	**111.8**	107.0
Intergovernmental Relations	2.4	**2.2**	2.5
Labour	58.9	**52.3**	30.7
Lands, Parks and Housing	100.3	**108.5**	110.2
Municipal Affairs	220.9	**219.6**	242.7
Provincial Secretary and Government Services	259.8	**249.2**	234.1
Tourism	5.9	**6.0**	12.6
Transportation and Highways	569.1	**561.7**	552.8
Universities, Science and Communications	389.4	**402.8**	387.6
Extraordinary Item (Medical Services Plan)[1]	—	**130.1**	—
Employment Development Account	245.0	**239.3**	127.0
Special Funds Expenditure (net)[2]	98.7	**90.0**	44.0
TOTAL OPERATING EXPENDITURE	8,445.0	**8,339.9**	7,513.3

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[1] Prior to 1983/84, Medical Services Plan expenditure was reported on the cash basis of accounting. In 1983/84, it was recorded on an accrual basis, requiring a one-time adjustment in respect of the amount due to the Medical Services Commission at March 31, 1984, which is included in 1983/84 expenditure.

[2] Special Funds expenditure is shown net of transfers between the General Fund and Special Funds.

Special Funds

Special Funds consist of certain earmarked revenue and various funds set aside in past years using General Fund surpluses. Expenditures from Special Funds are authorized by the legislation which established them and do not require annual approval of the Legislature. There are nine Special Funds as outlined in the following table.

Special Fund Transactions

	Balance March 31, 1983	Revenue 1983/84	Expenditure 1983/84	Balance March 31, 1984
		($ millions)		
The *British Columbia Cultural Fund* (1967) receives interest revenue from a capital endowment of $20 million and has paid a total of $30.3 million since its inception toward the encouragement of community cultural activities	20.5	1.6	1.6	20.5
The *First Citizens' Fund* (1968) receives interest revenue from a capital endowment of $25 million and has contributed a total of $29.4 million since its inception toward the cultural, educational and economic advancement of British Columbia Native Indians	27.0	2.0	2.7	26.3
The *Physical Fitness and Amateur Sports Fund* (1968) receives interest revenue from a capital endowment of $20 million and has disbursed a total of $27.7 million since its inception to amateur sport and activity groups	21.2	1.6	2.1	20.7
The *Farm Income Assurance Fund* has allocated $332 million since the 1973/74 fiscal year to provide a guaranteed annual income to agricultural producers. Producers' premiums over the same period have totalled $153 million	(1.9)	64.1	58.8	3.4
The *Habitat Conservation Fund* (1981) was created under the *Wildlife Act* to enhance fish and wildlife and their habitat. Revenue is raised through a surcharge on fishing and hunting licences	0.1	1.8	0.8	1.1
The *Industrial Development Subsidiary Agreement Loan Repayment Revolving Fund* makes loans for new industrial development from principal and interest payments on existing loans	19.9	12.1	6.1	25.9
The *Lottery Fund* (1974) receives revenue from the sale of lottery tickets in British Columbia. During 1983/84, expenditures were made on cultural programs, sports and recreation programs, health care research and Expo 86	27.9	60.0	58.5	29.4
The *Resource Revenue Stabilization Fund* was established in 1982. All non-earmarked natural resource revenue is paid into this fund. During 1983/84, all revenue of the Resource Revenue Stabilization Fund was transferred to the General Fund. In 1984/85 and future years, revenue of the fund may also be used for the retirement of provincial government direct and guaranteed debt	—	678.4	678.4	—
The *Revenue Sharing Fund*, established in 1977, allocates a specific share of provincial revenue for the payment of grants to municipalities (*see* Appendix 3)	30.8	210.0	210.7	30.1
Total Special Funds	145.5	1,031.6	1,019.7	157.4
Less Transfers between the General Fund and Special Funds[1]	—	929.7	929.7	—
Net Special Funds	145.5	101.9	90.0	157.4

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[1] During 1983/84, a total of $929.7 million was transferred between the General Fund and Special Funds as follows: the Resource Revenue Stabilization Fund transferred $678.4 million to the General Fund; the Ministry of Agriculture and Food transferred $31.8 million to the Farm Income Assurance Fund; the Ministry of Municipal Affairs transferred $210.0 mllion to the Revenue Sharing Fund and the Ministry of Industry and Small Business Development transferred $9.5 million to the Industrial Development Subsidiary Agreement Loan Repayment Revolving Fund.

Financial Requirements

The government's financial requirements for the 1983/84 fiscal year totalled $777.0 million, or less than one-half of the budget estimate of $1,628.8 million. The reduction in financial requirements was primarily attributable to the deficit being $525.7 million below budget. In addition, financing and working capital transactions provided a cash inflow of $300.3 million compared to an outflow of $25.8 million estimated in the budget. Financing and working capital transactions affect the composition of the assets and liabilities held by the provincial government but do not affect revenue or expenditure.

Financing transactions required cash of $44.1 million to finance the increase in mortgages held by the provincial government, the increase in investments and advances to Crown corporations and the increase in provincial government property under development. Working capital transactions provided a cash inflow of $344.4 million. Receipts were provided by the following:

- An increase in amounts due to Crown corporations and agencies totalling $125.8 million;
- An increase in deferred revenue of $113.2 million primarily as a result of recording motor vehicle licences and permits revenue on an accrual basis instead of at the time the cash is received;
- An increase in accounts payable of $154.5 million due in part to amounts owed to the federal government for personal and corporation income tax overpayments;
- A reduction in prepaid program costs and inventories of $20.5 million.

The cash inflow provided by the previous items was partially offset by disbursements as follows:

- An increase in accounts receivable of $49.1 million;
- An increase in amounts due from Crown corporations of $20.5 million.

Financial Sources

The government met its financial requirements through a reduction in cash and temporary investments of $60.2 million and through net borrowing for government purposes of $716.8 million. Borrowing consisted of the following:

- $250 million through Canadian public offerings of 5 and 10 year notes and bonds;
- $200 million through a 2 year note issue to a Canadian chartered bank;
- $125 million through a Euro-Canadian public offering of 10 year bonds;
- $167.9 million through short-term treasury bill and commercial paper financing.

A debenture payment of $26.1 million was also made during 1983/84. In addition, the provincial government borrowed $249.7 million which was reloaned to Crown corporations.

Compensation Stabilization Program

The Compensation Stabilization Program was introduced on February 18, 1982, and represents one of several major restraint initiatives which have been implemented by the provincial government over the past two and one-half years. The program is designed to place limits on permissible public sector compensation increases commensurate with the employer's — that is, the taxpayers' — ability to pay, while still preserving the collective bargaining process, as well as maintaining flexibility and equity in the determination of wages. Since the introduction of this program, several other provincial governments and the federal government have followed British Columbia's lead and introduced various forms of public sector wage and salary restraint.

With the decline in provincial revenue caused by the recent recession and the continuing structural adjustments in the world economy, it became imperative that measures be introduced to moderate the growth rate of government expenditures if the deficit and the level of taxation were to be contained. At the same time, the government wished to maintain both the quality and level of public services wherever possible. Because approximately 60 per cent of the total provincial budget is represented by direct and indirect wages and salaries, these objectives could only be mutually achieved through a comprehensive program designed to increase the productivity of the provincial public sector workforce and to ensure that public sector compensation increases reflected actual economic conditions and the provincial taxpayers' limited ability to pay. Past experience has shown that while competitive market forces limit private sector wage demands and settlements during economic recessions, public sector wage demands and settlements tend to be insulated from economic conditions. As a result, public sector wage settlements may remain well above private sector settlements precisely at a time when the public is least able to afford the taxes required to support such increases.

In attempting to address this issue the provincial government wished to avoid the problems which characterized the federal government's experience with various forms of compensation controls and restraints under the Anti-Inflation Board (AIB), between 1975 and 1978. The experience of the AIB indicated that rigid guidelines tend to impair the collective bargaining process and cause substantial inequities to develop between groups of employees if wage settlements cannot be adjusted sufficiently to reward increased productivity or to restore historical relationships. Moreover, rigid guidelines tend to serve as a "floor" for wage demands rather than a "ceiling". As a result, when guidelines are set well in advance and are not adjusted to changes in economic circumstances, they can produce less than satisfactory results. For example, although the federal government's 6 and 5 guidelines seemed restrictive when first introduced in June 1982, the rapid and unexpected decline in inflation left federal public sector wage increases above private sector settlements.

The *Compensation Stabilization Act, 1982*, gave the provincial government the authority to establish voluntary guidelines and mandatory regulations to restrain wages and benefits in the public sector. The guidelines are sufficiently flexible to permit collective bargaining in the provincial public sector to continue almost unaffected. Proposed settlements for public sector employees, including direct provincial government employees and employees of provincial Crown corporations, hospitals, school districts, universities, municipalities, local governments and other provincial public bodies, are reviewed by the Compensation Stabilization Commissioner, an independent official appointed under the act, to ensure they are consistent with the guidelines. When the Commissioner believes that a proposed settlement violates the guidelines, he has the power to refer the settlement back to the negotiating parties and to request them to arrive at another settlement which comes within the guidelines. Only where the collective bargaining process cannot produce a settlement which is consistent with the guidelines, does the Commissioner have the power, as a last resort, to impose a settlement under a set of more rigid regulations.

The range of annual allowable increases under the Compensation Stabilization Program was originally set at 8 to 14 per cent of total compensation which included both base salaries and benefits, but excluded merit increments. In recognition of continued weakness in economic conditions and declining private sector wage settlements, the compensation guidelines were amended on July 27, 1982, to allow a range for compensation increases of 0 to 10 per cent for the first year of a contract and 0 to 9 per cent for the second year. These guidelines incorporated adjustment factors for experience, productivity and special circumstances to ensure effective collective bargaining and to prevent distortions from developing between groups of employees.

In October 1983, the guidelines were amended to extend the program for an indefinite period and to reduce the range of annual allowable increases, reflecting the change in economic circumstances. The current guidelines provide for a range of between −5 and +5 per cent.

Unlike the previous sets of guidelines, the current guidelines provide for the cost of merit increments to be included in the calculation of total compensation adjustments reviewed by the Commissioner. In addition, the paramount consideration in determining an allowable adjustment to compensation is now the employer's ability to pay.

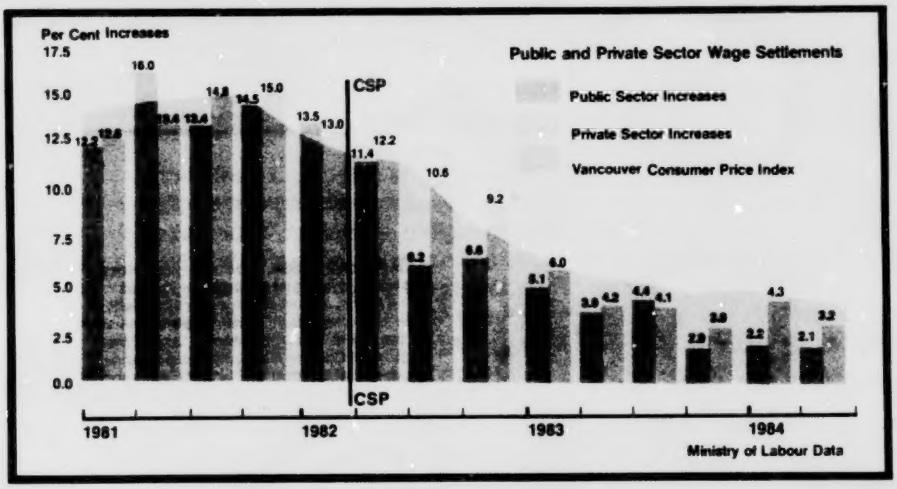
Continued . . .

Within the employer's ability to pay, a group of employees may receive increases based on measurable increases in productivity and on the level of recent settlements approved by the Commissioner for other groups of public sector employees. Where the Commissioner is satisfied that the employer can afford to pay an increase but negotiations or arbitration have failed to produce an acceptable result, he may suggest an allowable level.

In addition, where the basis of a salary adjustment is an increase in employee productivity, the benefits of such a productivity gain may be shared between the employer and employees.

The Compensation Stabilization Program has been highly successful in achieving its goals. Compensation increases in public sector settlements have fallen from an annual average of 13.5 per cent before the introduction of the program to 2.1 per cent in the second quarter of 1984. More than 1,890 public sector compensation plans have been approved as of August 31, 1984, all within the flexible guidelines, illustrating that the process of collective bargaining has continued under the program. Despite the difficult and changing conditions of the past two and one-half years, the Commissioner has never resorted to the imposition of a settlement under the regulations.

The experience of the Compensation Stabilization Program represents the successful development of a mechanism for the public sector equivalent to the discipline provided by market forces in the private sector. The result has been a reduction in the cost of government, the containment of the government budget deficit, the maintenance of essential public services and a more equitable distribution of the burden of economic adjustments.



Ministry of Labour Data

Provincial Government Net Equity (Net Deficiency)

As a result of the deficit of $1,077.3 million for the 1983/84 fiscal year, the net equity of the Consolidated Revenue Fund was eliminated, and a net deficiency of $541.2 million remained at March 31, 1984. This represented the excess of financial liabilities over financial assets at that date.

Direct Debt

From 1951/52 until 1975/76, the provincial government financed all operating and capital expenditures out of current revenue and accumulated surpluses. However, in the 1975/76 fiscal year an operating deficit was incurred which necessitated borrowing $261.4 million.

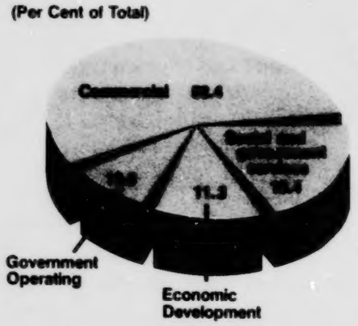
Surpluses were subsequently recorded during the years 1976/77 through 1979/80. Although operating deficits were reported in 1980/81 and 1981/82, they were met by reductions in the balance of cash and temporary investments. In 1982/83 and 1983/84, operating deficits were $984.2 million and $1,077.3 million respectively, and were funded through short and long-term borrowings in public and private markets in Canada and abroad.

At March 31, 1984, provincial government direct debt outstanding (excluding funds borrowed and reloaned to Crown corporations) was $1,591.2 million.

Central Borrowing Function

The size and complexity of British Columbia's overall provincial capital needs have required that its financing program be carefully structured and coordinated to ensure that the most favourable terms are obtained in financial markets. To assist in the achievement of this objective, the *Provincial Treasury Financing Amendment Act, 1983* was given Royal Assent on October 21, 1983 to allow the provincial government to borrow on behalf of Crown corporations. The introduction of this program of direct borrowing by the government for relending to Crown corporations provides them with lower cost financing over the long term because of the government's strong credit rating and reputation in financial markets. During 1983/84, $249.7 million was borrowed by the government directly and reloaned to Crown corporations (*see* Appendix Table 7.11 for a list of Crown corporations and agencies which received those borrowed funds).

Chart 2.4 Direct and Guaranteed Debt, March 31, 1984



As at March 31, 1984, direct and guaranteed debt of the provincial government totalled $14.6 billion. Almost 60 per cent of this debt is debt of commercial Crown corporations such as the British Columbia Hydro and Power Authority. Commercial Crown corporations receive revenue from the sale of their services at commercial rates and pay all of their own operating expenses, including debt servicing charges.

Guaranteed Debt

Prior to the introduction of the program of direct borrowing by government for relending to Crown corporations, most capital expenditure by Crown corporations and public bodies in British Columbia (other than municipalities) was financed through debt issues guaranteed by the provincial government with respect to principal, premium if any, and interest payments. At March 31, 1984, the provincial government's guaranteed debt of provincial Crown corporations, local government and certain small enterprises, net of sinking funds, and excluding debt held as investments by the Consolidated Revenue Fund, was $12.8 billion, an increase of 11.8 per cent from March 31, 1983 (*see* Appendix Table 7.10).

There are three categories of Crown corporation which have received provincial government debt guarantees. Commercial Crown corporations, which include British Columbia Hydro and Power Authority, British Columbia Petroleum Corporation, British Columbia Place and British Columbia Development Corporation, generate revenue from the sale of services at commercial rates and pay all of their own operating expenses, including debt service charges. British Columbia Hydro and Power Authority is the major borrower in this category, accounting for more than 97 per cent of the net debt outstanding. At March 31, 1984, commercial Crown corporations had net guaranteed debt outstanding of $8,539.3 million or 66 per cent of the total debt guaranteed by the provincial government.

During 1983/84, economic development Crown corporations included British Columbia Railway Company, British Columbia Ferry Corporation, British Columbia Housing and Employment Development Financing Authority, British Columbia Transit and Expo 86 Corporation. These corporations are generally operated as commercial Crown corporations. However, they may undertake projects which do not generate a sufficient financial return to service debt, but provide indirect economic benefits to the province. At March 31, 1984, economic development Crown corporations had net guaranteed debt of $1,535.5 million or 12 per cent of all debt guaranteed by the provincial government. Subsequent to March 31, 1984, the British Columbia Railway Company, which was included as an economic development Crown corporation during 1983/84, became a commercial Crown corporation (*see* Chapter 4 for details).

The remaining portion of guaranteed debt has been used for financing social capital and government services projects. Construction of schools, hospitals, educational institutions and government facilities is financed through borrowings, with the cost generally amortized over a period of 20 years. Debt servicing requirements are met through grants or rental payments from the provincial government and, in the case of schools and hospitals, partly from local property levies. At March 31, 1984, guaranteed debt outstanding in respect of social capital and government services was $2,773.1 million, or 22 per cent of total guaranteed debt outstanding.

Debt Servicing

The government of British Columbia provides substantial grants for the servicing of debt by certain Crown corporations and agencies. With respect to the British Columbia Railway Company, the cash flow from operations has been insufficient to provide fully for the corporation's annual debt servicing costs. The shortfall has been provided by other sources of funds of the railway, including borrowing. A 1981 amendment to the *British Columbia Railway Finance Act* authorized the Minister of Finance, subject to an appropriation of the Legislature, to determine and pay annually to the railway a grant for its debt service charges and capital expenditure. For 1983/84, a payment of $70 million was made to the railway to be applied to its debt service charges. This annual payment will no longer be required as the provincial government paid a grant of $429.9 million to the railway in the first quarter of 1984/85 from the government's Resource Revenue Stabilization Fund. This amount was paid into the railway's sinking funds in respect of its historic debt to provide for the full amount of the debt to be retired at maturity.

Through grant formulas, the provincial government also contributes to the debt servicing costs of school and regional hospital districts and educational institutions. The provincial government contributed $109 million to school districts, $66 million to regional hospital districts and $65 million to post-secondary educational institutions in 1983/84.

Sinking Funds

Sinking funds are currently established for all borrowings with a term in excess of five years, including all borrowings from the Canada Pension Plan Investment Fund. The increase in long-term interest rates in recent years has resulted in the value of some of the sinking funds reaching or exceeding the amount of the corresponding debt issue in advance of the repayment date. In these cases, under legislative amendments enacted in 1981, payments into the sinking funds can be discontinued if certain conditions are met.

Credit Rating

Moody's Investors Service and Standard and Poor's Corporation, the two major United States security rating agencies, have rated the direct and guaranteed debt of the province of British Columbia at the second-highest levels of AA+ and AA1, respectively. These same agencies have rated the province's U.S. commercial paper at the highest levels of P1 and A1, respectively. Canadian Bond Rating Service, a Canadian security rating agency, has rated the direct and guaranteed debt of the province at its second highest level of AA.

Crown Corporation Long-Term Borrowing, 1983/84

During 1983/84, Crown corporations in British Columbia borrowed long-term funds totalling $1,520.2 million, an increase of 7.4 per cent from the previous year (*see* Appendix Table 4.2 for further details). This includes long-term borrowing undertaken directly by Crown corporations with a provincial government guarantee and long-term borrowing which was undertaken directly by the provincial government and reloaned to the Crown corporations.

British Columbia Hydro and Power Authority borrowed $830.1 million, or 55 per cent of the total funds borrowed. Other major borrowers included British Columbia School Districts Capital Financing Authority at $131.1 million (9 per cent of total), British Columbia Transit at $138.7 million (9 per cent) and British Columbia Housing and Employment Development Financing Authority at $175.5 million (12 per cent).

Of the total amount borrowed, $1,130.6 million (74 per cent) was raised through public and private issues, $374.9 million (25 per cent) was raised through the Canada Pension Plan Investment Fund and $14.7 million (1 per cent) was borrowed from provincial trusteed funds.

Trust Funds

Trust funds are administered by the government for third parties, but are not part of the provincial government Consolidated Revenue Fund. At March 31, 1984, trust funds under administration totalled $10.0 billion, an increase of 24.0 per cent from the previous year. The four distinct components of trust funds are as follows:

- Trust, or custodial, deposits include the accident fund of the Workers' Compensation Board, amounting to $1,610.9 million, and funds of individuals and intestates, which are held by the government under various statutes, amounting to $301.1 million. At March 31, 1984, the total amount of trust deposits was $1,912.0 million.

- Sinking funds are set up by Crown corporations and other public bodies to provide for the orderly retirement of maturing long-term debt. At March 31, 1984, these funds totalled $1,620.2 million.
- Superannuation and pension funds have been established to administer contributory pension plans for public sector employees and totalled $5,679.3 million at March 31, 1984.
- Other managed trust funds totalled $741.1 million at March 31, 1984. The main items in this category are funds borrowed by Crown corporations and temporarily held by the government prior to being paid to the Crown corporations.

Trust, or custodial, deposits are invested mainly in the short-term money market with the exception of the accident fund of the Workers' Compensation Board, which is invested on a similar basis to the superannuation and pension funds. Sinking funds, superannuation and pension funds and other managed trust funds are invested to meet long-term liabilities. Until 1980, the funds were placed almost exclusively in long-term investments, mainly bond issues of provincial Crown corporations. From 1980 to mid-1982, almost all cash which became available in these funds was invested in short-term investments. Due to high interest rates which prevailed during that period, the earnings of the funds increased significantly. Since mid-1982, the asset mix has been continually adjusted to reflect the expected direction of interest rates, with the result that 40 per cent of the available cash is invested in the short-term market and 60 per cent in the intermediate-term (5 to 10 year) bond market. This has allowed the funds to obtain the relatively high returns available in the bond market, without subjecting them to a high degree of risk.

The *Financial Administration Act* provides uniform investment powers for all provincial government trust funds, in place of the varying powers which existed previously. Funds may be placed in investments permitted under the *Trustee Act*, as well as in short-term and government guaranteed securities permitted for the Consolidated Revenue Fund. These wider investment powers, which have not yet been exercised, permit investments in mortgages, common stock and corporate bonds.

Provincial Taxes

The provincial government has the constitutional power to levy direct taxes within the province to raise money for provincial purposes. Appendix 2 provides information about various taxes in British Columbia and about tax changes made in the 1983 and 1984 budgets.

Income Tax Rates

The British Columbia personal income tax rate is 44 per cent of basic federal tax. This means that a British Columbia taxpayer is required to remit an additional $44 of income tax to the provincial government for every $100 of federal income tax, calculated before deduction of the federal general tax reduction. Tax filers with taxable incomes of $2,930 or less in 1984 will have their British Columbia income tax reduced to an amount no greater than federal tax payable after the deduction of the federal general tax reduction of up to $200. This provides a provincial tax reduction of up to $88, depending on taxable income.

Two income tax surtaxes also apply in British Columbia. A 10 per cent surtax is imposed on that portion of provincial income tax payable in excess of $3,500. Most taxpayers with gross incomes of less than $40,000 per year are not affected by this provision.

To provide for recent increases required in provincial funding of health costs in British Columbia, a health care maintenance surtax was introduced in the 1984 budget. The effective surtax rate is 4 per cent in 1984, and 8 per cent in 1985 and subsequent years, of British Columbia tax payable, including the 10 per cent surtax, if applicable.

The corporation income tax rate is 16 per cent of taxable income earned in the province. For corporations qualifying as small businesses, the rate is reduced to 8 per cent.

Other Tax Rates

The general tax rate on purchases of tangible personal property, imposed under the *Social Service Tax Act*, is 7 per cent. Appendix Table 2.3 provides a list of purchases which are exempt from tax.

The tax rate on hotel accommodation is also 7 per cent. Accommodation priced at $10 or less per night is exempt from tax.

The corporation capital tax applies to taxable paid-up capital at rates of 0.2 per cent for non-financial corporations, 0.6 per cent for trust companies, 0.8 per cent for chartered banks with capital of $500 million or less and 2.0 per cent for chartered banks with capital in excess of $500 million.

Fuel tax rates are adjusted every three months in accordance with changes in the gasoline sub-component of the Vancouver Consumer Price Index. The tax rate on clear gasoline is approximately 20 per cent of the retail price before tax. Tax rates on most other fuels are maintained at constant differentials from the clear gasoline tax rate. Marine bunker fuel is, however, taxed at 20 per cent of its pretax retail price in Vancouver harbour. Compressed natural gas and propane used to propel motor vehicles are exempt from provincial fuel tax in order to promote use of these efficient and clean-burning fuels. Handicapped drivers are eligible for a 100 per cent rebate of gasoline tax.

The tax rates for cigarettes and other tobacco products, which are adjusted on March 1 and September 1 of each year, are approximately 50 per cent of the retail price.

Other provincial taxes, including the horse racing tax, insurance premium tax, real property tax, logging tax, mining tax, mineral land tax and mineral resource tax are outlined in Appendix Table 2.3. An interprovincial comparison of tax rates is contained in Appendix Table 2.2.

Effective April 1, 1983, the provincial government entered into a Reciprocal Taxation Agreement with the federal government, under which each government has agreed to pay the consumption taxes levied by the other.

Legislation of Financial Significance

The following legislation of financial significance was enacted by the Legislature during its spring 1984 session:

- The *University of Victoria Special Appropriation Act, 1984* provides funding to the University of Victoria for the construction and equipping of a science and electrical engineering facility at the university. Funding, which is not to exceed $16 million, will be held in trust by the Minister of Finance until required. Any underexpenditure will be returned to the Consolidated Revenue Fund.
- The *Resource Revenue Stabilization Fund Act* authorizes the government to require designated Crown corporations to pay a portion of their net income into the Resource Revenue Stabilization Fund and expands the role of the fund by authorizing the government to use it to retire government and Crown corporation debt.
- Provisions of the *Income Tax Act* relating to administration, collection and enforcement were amended to parallel the federal act in accordance with the terms of the Canada-British Columbia Tax Collection Agreement. Adoption of the amendments allows Revenue Canada to administer the income tax system under one set of rules. Additional amendments establish the health care maintenance surtax on the income tax payable by individual taxpayers in order to offset a recent decline in the proportion of health costs covered by federal contributions. The amendments also authorize the Lieutenant Governor in Council to prescribe an individual health care maintenance levy if federal payments to the province for health care are reduced under the provisions of the *Canada Health Act*. The health care maintenance levy has not been brought into force.
- The *Hotel Room Tax Amendment Act, 1984* provides a new tax rate of 7 per cent on accommodation in hotels and motels in the province. The former rates of tax were 6 per cent on accommodation priced at less than $50 per night and 8 per cent on accommodation priced at $50 or more per night. Implementation of a single tax rate simplifies the collection of the tax by the hotel and motel industry. The rate change became effective on March 1, 1984.
- An amendment to the *British Columbia Hydro and Power Authority Act* increases the British Columbia Hydro and Power Authority's statutory borrowing limit from $8,300 million to $8,800 million. This increase is needed to meet the authority's capital financing requirements in 1984/85.
- The *Hydro and Power Authority (Land Transfer) Act, 1984* enables the transfer of lands and right-of-way at False Creek in Vancouver from British Columbia Hydro and Power Authority to British Coumbia Place Ltd. and British Columbia Transit. The sum of $10 million is to be paid to British Columbia Hydro and Power Authority by British Columbia Place Ltd.
- Amendments to the *Assessment Act* provide for a more efficient method of assessment by replacing the annual assessment cycle with a biennial assessment cycle, changing the dates of various events in the assessment cycle to permit more accurate assessments, requiring landlords to supply tenants of designated types of property with assessment notices upon request, and introducing other minor measures. The amendments also ensure that incomplete improvements will continue to be subject to assessment and taxation, consistent with past practice.

- Amendments to the *Home Owner Grant Act* increase the minimum property tax payable for 1985 to $175 from $150, after application of the basic $380 home owner grant. The minimum tax remains at $1 for seniors and handicapped persons receiving supplementary home owner grants. Additional amendments extend the eligibility for home owner grants to owners of land cooperatives and multi-dwelling leased parcels and individuals holding 99 year leases. In addition, individuals in receipt of a civilian war allowance are made eligible for the supplementary grant.

- The *Young Offenders (British Columbia) Act*, which was introduced as complementary legislation to the new federal *Young Offenders Act*, applies to young persons who commit provincial statute offences. The act gives juveniles many rights previously denied under the old legislation, increases the upper age limit for juveniles from 16 to 17 (effective 1985) and requires custodial facilities separate from those of adult offenders. These measures will result in increased costs to the provincial government, which will be only partially offset by federal government cost-sharing.

3. Intergovernmental Relations

International Relations

On March 30, 1984, the province of British Columbia and the city of Seattle signed an agreement ending the long standing dispute over the proposed raising of the Ross Dam and the consequent flooding of the Skagit Valley. On April 2, Canada and the United States signed the corresponding international treaty. Under the terms of the agreement, the province of British Columbia agreed to guarantee a supply of power to the city of Seattle equivalent to that which would have been generated by raising the Ross Dam in return for an annual payment of $21.8 million (U.S.) for 35 years commencing in 1986.

Although a draft Canada/United States Pacific Salmon Agreement was initialled by Canadian and United States officials in December 1982, the Governor of Alaska raised some issues requiring changes to part of the treaty during 1983. Negotiations reconvened in November 1983 and again in January 1984, but broke off on January 26, 1984. Since then a stalemate has existed, although in a May meeting the Canadian External Affairs Minister and the U.S. Secretary of State expressed their determination to see negotiations resume. The provincial government recognizes the necessity of a treaty, and wishes to conserve salmon resources through cooperative and mutually beneficial enhancement projects.

In 1983/84, British Columbia increased its efforts to develop regional relations with neighbouring states. In August 1983, the Premier met with Governor Schwinden of Montana. In September, the heads of government of British Columbia, Alaska and the Yukon met in Vancouver. In February 1984, the Premier met with Governor Spellman of Washington State in Victoria, and travelled to California to meet with Governor Deukmejian.

In January 1984, the Premier and members of the Cabinet met in Vancouver with Mr. Zhao Ziyang, Premier of the People's Republic of China. This meeting was followed by a further meeting when the Premier travelled to China with a private sector delegation in May.

Federal/Provincial Relations

In 1983 and 1984, the province remained active in federal/provincial relations. British Columbia participated in the Annual Premiers' Conference, held in Toronto in August 1983. In April 1984, British Columbia hosted the Western Premiers' Conference in Kelowna, where economic issues were emphasized, including international trade, transportation and economic growth and development.

During late 1983 and early 1984, the provincial government participated in a series of meetings with representatives of the aboriginal peoples of Canada and the federal and other provincial governments, leading to a First Ministers' Conference on Aboriginal Constitutional Matters held on March 8 and 9, 1984. Amendments to the Constitution dealing with aboriginal rights that resulted from the March 1983 First Ministers' Conference were proclaimed on June 21, 1984.

On May 17, 1984, the Supreme Court of Canada recognized British Columbia's ownership of the sea bed resources under the inland waters of the Georgia Strait, Johnstone Strait, Queen Charlotte Strait and the Canadian portion of the Strait of Juan de Fuca. Ownership of this territory had been a matter of dispute between the province and the federal government for a number of years. The judgment grants British Columbia exclusive rights to revenue generated from oil and gas exploration in the inland waters. It also grants the provincial government authority over the proposed natural gas pipeline to Vancouver Island as well as authority over other sea bed communications, such as telephone cables. The decision will not affect the federal government's exclusive jurisdiction over shipping, navigation, trade and commerce, customs, fisheries and defence in coastal waters.

Federal/Provincial Fiscal Arrangements

The major fiscal arrangements between the federal government and the provincial government are embodied in the *Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977.*

This act provides for federal transfers to provincial governments for funding of hospital insurance, medical care, extended health care and post-secondary education. The act also provides for a fiscal stabilization program, an equalization program and for tax collection agreements between the federal government and participating provinces.

In 1977, the Established Programs Financing (EPF) mechanism replaced cost-sharing in the financing of hospital insurance, medical care and post-secondary education, with a combination of transferred personal and corporation income tax points and federal government cash payments to the provinces. A per capita cash payment is provided for extended health care programs. The transfer is largely unconditional, with the exception of a requirement to maintain five basic standards of health care. British Columbia's cash entitlement was $855.7 million for 1983/84. Adjustment payments for prior years totalling $72.8 million resulted in a total 1983/84 EPF contribution of $928.5 million.

In recent years, the federal government has made several modifications to the EPF program which have reduced contributions to the provinces. The Established Programs Financing formula was amended in 1982 to reduce federal cash transfers to all provinces for 1982/83 and subsequent years. These amendments to the formula are estimated to have reduced contributions to British Columbia by $92.5 million in 1982/83, $103.7 million in 1983/84 and $114.0 million in 1984/85.

Beginning in 1983/84, the federal government applied the 6 and 5 restraint policy to the post-secondary education component of the EPF transfer. This action reduced British Columbia's cash entitlement by $13.4 million in 1983/84 and will cause an estimated reduction of $29.3 million in 1984/85.

The *Canada Health Act* was enacted by Parliament in the spring of 1984. This legislation enables the federal government, beginning July 1, 1984, to reduce the EPF cash transfer to a province by an amount equal to revenue from certain health care user charges plus the amount of any "extra billing" charges by physicians. Although British Columbia does not permit "extra billing", modest health care user fees have been in effect for 30 years. This has led the federal government to reduce the EPF cash transfer to British Columbia by $22.8 million in 1984/85.

The fiscal stabilization program is designed to protect provinces from a decline in provincial revenues. The program provides for federal payments to a province whose revenue declines in a fiscal year from the level in the preceding year, after adjustment for changes in tax rates and exclusion of any decline in natural resource revenue of less than 50 per cent. In June 1983, British Columbia became the first province ever to apply for a payment under this program, when a formal application was submitted in respect of the 1982/83 fiscal year. The federal government made an interim payment to the province of $80 million in March 1984. A further payment is expected to be made in 1985, after final calculations of revenue data have been completed. A preliminary estimate of $174 million has been made for the total fiscal stabilization entitlement.

The equalization program enables provinces with lower revenue-raising potential to provide a reasonable standard of public services without necessitating unduly high tax rates. Under the program, a province's revenue-raising capacity is measured against that of an average of five representative provinces. British Columbia does not receive payments from the federal government under the equalization scheme.

The fiscal arrangements also provide for the tax collection agreements which enable the federal government to collect provincial personal and corporation income taxes on behalf of a participating province. As a result, each tax filer is required to file only a single tax return. Under the terms of the agreement between Canada and British Columbia, the provincial government is required to adopt income tax legislation and regulations similar to those of the federal government. Quebec does not participate in the agreement for either corporation or personal income taxes, while Ontario and Alberta collect their own corporation income tax.

Canada Assistance Plan

The other major federal provincial financial agreement is the Canada Assistance Plan (CAP), through which the federal government makes contributions to the provincial government, on a cost-shared basis, for eligible expenditure on social assistance and welfare services. British Columbia's CAP receipts were $532.2 million in 1983/84.

Other Federal Government Contributions

The provincial government has numerous other agreements with the federal government in a variety of program areas, such as adult occupational training, expansion of fisheries stocks, and forestry. Most of these agreements are for a limited duration.

Provincial/Local Relations

Local government in British Columbia consists of incorporated municipalities (cities, towns, villages and districts), regional districts, school districts, regional hospital districts and special purpose improvement districts. Included are the following:

- 142 municipalities incorporated under the *Municipal Act*, to provide facilities such as roads, waterworks and sewerage systems, as well as a wide range of social, recreational and protective services.
- 28 regional districts incorporated under the *Municipal Act*, combining municipal and other local government areas to provide more efficiently administered services over a larger area. All but a small part of the province is included within regional district boundaries.
- 75 school districts incorporated under the *School Act*, each with an elected board, to provide efficient and coordinated administration of schools. The districts cover 98 per cent of the province and usually combine adjacent municipal and non-municipal areas.
- 28 regional hospital districts incorporated under the *Hospital District Act*. These districts, sharing boundaries with the regional districts, participate in the planning and provision of capital funds for health facilities.
- 319 improvement districts, primarily in non-municipal areas, incorporated under the *Municipal Act*. Services provided by improvement districts include waterworks (259 areas), fire protection (91 areas), irrigation (62 areas), street lighting (41 areas), drainage (39 areas), garbage disposal (32 areas), sewage disposal (16 areas), parks and playgrounds (21 areas), dyking (21 areas), community halls, recreation areas, cemeteries and land acquisition and improvements (television antennae, boat landings, mosquito control, river bank protection, water treatment, electrical energy and lake level control).

Municipalities

At May 30, 1984, there were 35 cities, 46 districts, 13 towns and 48 villages, totalling 142 municipalities in 28 regional districts. Four villages changed their status in the past year. Invermere, Logan Lake and Tofino became districts, while Osoyoos was incorporated as a town. For details of municipal population, *see* Appendix 11. Major provincial financial assistance was provided to municipalities during 1983/84 under the *Revenue Sharing Act* and the *Municipal Aid Act*.

Revenue Sharing

Under legislation adopted in 1977, a revenue-sharing formula allows municipalities to share in the broader provincial revenue base and reduces pressure on the real property tax base. The formula annually transfers into the Revenue Sharing Fund an amount equivalent to the yield of one point of personal income tax, one point of corporation income tax, and six per cent of sales tax and natural resource revenue. Under the *Revenue Sharing Act*, $210.7 million was provided for distribution to municipalities and regional districts in the 1983/84 fiscal year.

Payments to the municipalities are in the form of both conditional and unconditional grants (*see* Appendix Table 3.1, Major Provincial Programs for Local Government).

Downtown Revitalization Account (1980)

This special purpose account was established with a $25 million appropriation to provide grants and loans to municipalities and the business community for the revitalization of downtown areas. During 1983/84, loans of $4.8 million were made from the account while grants of $0.6 million were disbursed.

Grants in Lieu of Property Taxes

Grants in lieu of taxes on Crown property are paid to municipalities by the province under the *Municipal Aid Act*. The grant is equal to the assessed value of the property, multiplied by the applicable municipal and regional district tax rate, including the debt service levy. Many British Columbia Crown corporations also pay grants to municipalities on the same basis. In the 1983/84 fiscal year, the provincial government paid $2.6 million under this provision while the British Columbia Buildings Corporation, on behalf of provincial ministries, paid $8.9 million. This total of $11.5 million represented an increase of 7.8 per cent from 1982/83.

British Columbia Assessment Authority

The authority is incorporated under the *Assessment Authority Act* as an independent corporation with responsibility for real property assessment throughout British Columbia. Prior to the creation of this centralized authority in 1974, municipal assessors were responsible for assessments in cities, towns and districts, while provincial assessors valued property in unorganized areas and village municipalities. The Assessment Authority is governed by a six-member board of directors.

Commencing in the taxation year 1983, most land and improvements in the province, with a few exceptions such as farm land, tree farm land and certain utilities, were assessed at their actual values for general municipal taxation purposes and municipalities were empowered to set different tax rates for each of the various classes of property defined by the Lieutenant Governor in Council. Legislation was enacted in the fall of 1983 to extend the system of taxation based upon actual value, and the use of variable tax rates, to all other taxing jurisdictions for 1984 and subsequent years.

In the spring of 1984, further legislation was enacted which introduced a biennial assessment cycle to replace the annual assessments which had been a requirement for many years. Under the biennial system an assessment roll will be completed by September 30, 1984 and September 30 in each even-numbered year thereafter. In most cases the assessments shown upon that roll will be the assessments for the two following calendar years. Not later than September 30, 1985 and September 30 in each odd-numbered year thereafter, the assessor must complete a revised assessment roll which will contain revisions to the assessment roll for the purpose of taxation during the following calendar year. This revised assessment roll will only show those properties which have been the subject of certain enumerated changes, such as a change in physical characteristics, a change in classification, or a change in ownership.

For assessment purposes, the province is divided into 22 areas. Assessment rolls are prepared for each taxation jurisdiction within an area and, after confirmation by the Court of Revision, are used in the production of tax rolls. For the 1984 assessment roll, approximately 1.2 million taxable and exempt properties were assessed. The actual value of all properties, including some Crown properties and other properties exempt or partially exempt from taxation, was $140.8 billion. The actual and school taxable values are shown in Table 3.1.

Table 3.1
Actual and School Taxable Property Values, 1984

	Total Actual Value	School Taxable Value[1]
	($ millions)	
(a) By taxing jurisdiction		
Cities	53,723	44,654
District municipalities	54,863	46,432
Towns	2,005	1,719
Villages	2,392	1,951
Rural	27,812	21,048
Total	140,795	115,804
(b) By property classification		
Residential	78,414	73,274
Utilities	10,525	7,709
Forestry	203	18
Machinery and equipment	12,490	10,828
Industrial	6,820	6,001
Business other	28,112	16,794
Tree farm land	117	117
Seasonal resort and recreation	2,779	402
Farm land	1,335	661
Total	140,795	115,804

[1] School taxable value is the total actual value of property less the value of property that is exempt from school tax

Municipal Finance Authority of British Columbia

The authority is incorporated under the *Municipal Finance Authority Act* as a central borrowing agency to provide financing of capital requirements (other than for schools and hospitals) for local governments in British Columbia. Pursuant to the act, two special purpose districts and all regional districts and their member municipalities (except the city of Vancouver) are required to finance their long-term capital requirements through the authority. The authority issues its own debentures, or other debt instruments, and lends the proceeds to the regional districts on whose request the financing is undertaken.

Obligations of the authority are not obligations of the province of British Columbia and are not guaranteed directly or indirectly by the provincial government. Currently the authority's bonds have an Aaa credit rating from Moody's Investors Service and an AA + credit rating from Standard & Poor's Corporation.

The combined credit-worthiness of all regional districts and their member municipalities, which together contain essentially all the taxable land and improvements in the province, stands behind the authority's obligations. In addition, a debt reserve fund is maintained to satisfy obligations in the event that sufficient funds are not available to meet payments or sinking fund contributions due. If the Board of Trustees of the Municipal Finance Authority is of the opinion that payments made from the debt reserve fund will not be recovered within a reasonable period, it may, and under certain circumstances must, levy a rate upon all taxable land and improvements in the province sufficient to restore the fund to the amount it would have contained had no such payments been made.

At June 30, 1984, the outstanding long-term debt contracted by the authority on behalf of the regional districts and their member municipalities totalled $1,176.3 million and the debt reserve fund balance was $104.5 million.

Provincial Home Owner Grant

The Provincial Home Owner Grant Program reduces property tax levies for eligible home owners. In 1983, the grant to each eligible home owner, which is first applied against the local school tax levy, was $380. An additional $250 grant was paid to eligible home owners aged 65 years or over, to handicapped persons eligible under the regulations and to those eligible persons receiving an allowance under the federal *War Veterans Allowance Act*.

As a result of this property tax relief program, many British Columbia home owners paid the minimum property tax for local government services, including education, of $125 ($1 for those eligible for the supplementary grant). The minimum property tax for local government services has been raised to $150 for 1984 and to $175 for 1985. Provincial home owner grants paid in the 1983/84 fiscal year totalled $263 million, an increase of $5.3 million from 1982/83. An estimated $227 million of the home owner grants was applied to reduce local school taxes levied in 1983, while the balance was applied to reduce other local property tax levies.

4. Crown Corporations and Enterprises

Introduction

Crown corporations and enterprises are entities established or acquired by the government. Their functions include commercial and quasi-commercial activities, the administration of services and programs and the financing of other public bodies. Many Crown corporations and enterprises receive financial assistance from the government in the form of grants, loans, equity investments and debt guarantees. The operations of Crown corporations are recorded in their own financial statements; only transactions with the government are reflected in the government's main financial statements. The financial statements of all Crown corporations and enterprises are subject to audit by the Auditor General or by private sector auditors. Appendix Table 4.1 lists major British Columbia Crown corporations and enterprises and their functions.

British Columbia Hydro and Power Authority

British Columbia Hydro and Power Authority generates, transmits and distributes electricity to more than 90 per cent of British Columbia's population. The authority also distributes natural gas in Greater Vancouver and the Fraser Valley, distributes propane-air gas in Greater Victoria and operates a railway offering local and terminal freight service in Greater Vancouver and the Fraser Valley.

Operations

The authority's generating name-plate capacity at March 31, 1984, was 8,760 thousand kilowatts compared with 8,832 thousand kilowatts at March 31, 1983. There were no major additions to Hydro's generating capacity during the year and the Georgia gas turbine generating station on Vancouver Island was retired.

The highest one-hour peak demand ever recorded on the integrated system, 6,215 thousand kilowatts, occurred December 21, 1983, exceeding by about five per cent the previous record of 5,902 thousand kilowatts set January 6, 1982.

A total of 31,903 million kilowatt-hours of electricity was sold in 1983/84, down 1.1 per cent from the previous year. At March 31, 1984, electrical service was provided to 1,126,284 customers, 88 per cent of whom were residential, with the remainder primarily being commercial or industrial.

Total revenue for 1983/84 amounted to $1,613 million, an increase of $85 million over 1982/83. Revenue from domestic sales increased by $107 million whereas export sales decreased by $22 million.

The cost of providing services, excluding finance charges, for the year totalled $1,056 million, an increase of $84 million over 1982/83. Finance charges, net of amounts capitalized, increased $41 million over the previous year, to $520 million.

After the adjustment for rate stabilization, net income for 1983/84 was $51 million compared with a net loss of $19 million in 1982/83 and net income of $120 million in 1981/82. The net loss in 1982/83 included an extraordinary charge to write off $77 million relating to the Hat Creek conventional thermal-electric project, which was deferred indefinitely as a result of rising costs of the project and reduced rates of growth in projected electrical demand.

Table 4.1 contains financial and general operating data of the authority for the 1982/83 and 1983/84 fiscal years. For further information, refer to the British Columbia Hydro and Power Authority *Annual Report 1983/84*.

Table 4.1

British Columbia Hydro and Power Authority Financial and General Operating Data

Fiscal year ended March 31,		1983	1984	Change 1983–1984
Electric				(per cent)
Generating name-plate capacity	(rated kilowatts in thousands)	8,832	8,760	−0.8
Customers	(thousands)	1,102	1,126	2.2
Electricity sold	(kilowatt-hours in millions)	32,263	31,903	−1.1
Residential service—average revenue per kilowatt-hour	(cents)	4.7	4.9	4.3
Gas				
Gas sold	(terajoules)[1]	85,969	89,525	4.1
Customers	(thousands)	342	352	2.9
Average revenue per gigajoule	(dollars)	3.85	4.02	4.4
Rail freight	(tonnes in thousands)	1,784	2,005	12.4
Employees (including temporary employees)		8,667	8,205	−5.3
		($ millions)		(per cent)
Revenue		1,528	1,613	5.6
Income (loss) from continuing operations				
Electric		57	39	−31.6
Gas		3	14	366.7
Rail freight		(3)	(1)	—
Sundry		1	(1)	—
Income before extraordinary charge		58	51	−12.1
Extraordinary charge (Hat Creek)		(77)	—	—
Net income (loss)		(19)	51	—
Expenditure on fixed assets—net of contributions in aid of construction		972	790	−18.7
Fixed assets		8,195	8,761	6.9
Long-term liabilities		6,891	7,250	5.2
Cash and temporary investments at end of year		266	300	12.8

[1] The joule is the standard unit of heat content in metric measurement. A gigajoule is one billion joules; a terajoule is one trillion joules.

Source: British Columbia Hydro and Power Authority Annual Report 1983/84.

Financing

During the fiscal year ended March 31, 1984, British Columbia Hydro borrowed $650 million in United States funds from public financial markets in the United States and Europe at an effective annual interest cost of 12.68 per cent.

At March 31, 1984, British Columbia Hydro's net outstanding long-term debt totalled $8.3 billion, compared to $7.7 billion at March 31, 1983. Of this amount approximately one-half was in Canadian dollars and one-half was in United States dollars. The effective annual interest cost on debt outstanding during 1983/84 was 11.17 per cent.

Many long-term borrowings have sinking fund provisions to ensure that funds are available at maturity to repay a significant portion of the debt. At March 31, 1984, the sinking funds, including accrued interest, amounted to $727 million.

Capital Expenditure

Expenditure on new fixed assets totalled $820 million during the year. Included in this amount was $401 million for electric generation facilities and $370 million for electric transmission, transformation and distribution facilities.

Major Electric Service Plant Construction

During the year, construction of the Revelstoke hydroelectric project, five kilometres north of Revelstoke on the Columbia River (*see* Map 6.5), neared completion for generation of first power. The filling of the reservoir began on October 11, 1983, and reached the interim maximum level. Four generating units, each of 460,750 kilowatts, are scheduled to be put into service during the 1984/85 fiscal year.

The first of two 500-kilovolt alternating current transmission circuits between the mainland and Vancouver Island was placed in service during 1983/84. Work on the second circuit is on schedule to meet completion dates of fall 1984 for the underwater portion, and fall 1985 for the overland portion.

Work continued on a 500-kilovolt transmission line, which is scheduled for completion in late 1984, from Kelly Lake substation near Clinton to Nicola substation near Merritt. The line will strengthen interconnected transmission from hydroelectric projects on the Peace and Columbia rivers. Installation of foundations and erection of towers for a 500-kilovolt line between Cranbrook and the Alberta border has begun. This interconnection will provide emergency support and energy exchange benefits to both Alberta and British Columbia when completed in 1985.

British Columbia Railway Company

British Columbia Railway Company, the third largest railway in Canada, operates 2,237 kilometres of main-line track from North Vancouver to the north east region of British Columbia (*see* Map 6.4). The railway also maintains approximately 620 kilometres of industrial and yard track and sidings. Through connections at North Vancouver, Prince George and Dawson Creek, British Columbia Railway has access to the North American railway network. Deep-sea bulk-loading facilities are located at North Vancouver and Squamish. The railway also operates a microwave communication system, which enables dispatchers to be in constant communication with the trains, as well as a trucking fleet in conjunction with its piggyback service.

At the end of 1983, the railway's rolling stock fleet comprised 130 locomotives and approximately 10,000 freight and other rail cars. The railway's land holdings of more than 19,000 hectares include, in addition to rights-of-way, industrial parks at Prince George, Williams Lake, Mackenzie, Fort St. John, Dawson Creek, Fort Nelson and Fort St. James.

Corporate Reorganization

Under the provincial *Harbour Board Repeal Act* enacted in 1983, the railway acquired the rail assets of the former British Columbia Harbours Board Railway operating between Cloverdale and the Roberts Bank superport in Delta, British Columbia. Under the act, assets of approximately $12 million were transferred to British Columbia Railway. It is expected that ownership of the British Columbia Harbours Board Railway will have a favourable effect on the railway's future earnings.

During 1984, British Columbia Railway Company, which is 100 per cent owned by the government of British Columbia, together with its wholly-owned subsidiary, BCR Properties Ltd., acquired 100 per cent of the common shares of BC Rail Ltd., a newly-formed corporation. Effective June 19, 1984, BC Rail Ltd. purchased from British Columbia Railway Company all the railway assets except industrial parks and certain undeveloped land which are held by BCR Properties Ltd.

Operations

Revenue for 1983 was $205.4 million, an increase of 28.6 per cent over the previous year. This increase was primarily a result of the recovery in the British Columbia central interior forest industry in early 1983.

The railway handled 148,769 carloadings in 1983, compared with 128,577 in 1982. Operating expenses were $165.5 million, an increase of 16.7 per cent over 1982. Net income for 1983 was $40.0 million, compared to $18.6 million in 1982. A summary income statement is provided in Table 4.2.

The pulp industry dispute in the first part of 1984 significantly reduced carloadings (excluding coal) from the budgeted levels for the first six months of 1984 and from the actual levels for the same period of 1983. New coal traffic in 1984 has partly offset this reduction.

For the first six months of 1984, the railway's estimated operating revenue was $114 million, up 10.2 per cent from the same period in the previous year. Operating expenses increased to an estimated $94 million from $84 million in the first six months of 1983, while estimated net interest expense of $14 million compares to $1.1 million for the same period of 1983. Estimated net income was $7.0 million, down from $19.3 million in the first six months of 1983.

Financing costs for the Tumbler Ridge Branch line have been incorporated into the railway's results since the completion certificate for the line was received in February 1984.

Table 4.2

British Columbia Railway Summary Income Statement and Operating Data

Fiscal year ended December	1982	1983	Change 1982–1983
	($ thousands)		(per cent)
Operating revenue	159,696	**205,446**	28.6
Operating expense	141,817	**165,494**	16.7
Operating income	17,879	**39,952**	123.5
Interest expense (after debt servicing grant)	2,318	**2,266**	– 2.2
Other income	3,023	**2,281**	– 24.5
Net income	18,584	**39,967**	115.1
Number of carloadings	128,577	**148,769**	15.7
Tons hauled	8,023,581	**9,347,107**	16.5
Employees at year end	2,400	**2,590**	7.9
Revenue per main track kilometre ($)	79	**92**	16.5

Source: British Columbia Railway Annual Report 1983

Capital Expenditure

Construction of the 129-kilometre electrified Tumbler Ridge Branch line to the north east coalfields was completed on schedule and within budget in 1983. During the last few weeks of the year, the railway carried 2,679 carloads of coal from the Tumbler Ridge mine sites to Prince George. The coal was destined for the new deep-sea terminal at Prince Rupert.

During 1983, work commenced on a $76 million, four-year program for upgrading of the main line between Tacheeda and Prince George. Completion of this project will optimize operating efficiency of the heavy 98-car unit coal trains originating at Tumbler Ridge.

Total capital expenditure in 1983 was $262.6 million.

Share Capital

In 1983, British Columbia Railway Company issued common shares with a value of $27.1 million to the provincial government, in return for cash of $16 million and the transfer of the rail assets of British Columbia Harbours Board.

During June 1984, BC Rail Ltd., a subsidiary of British Columbia Railway Company, raised $200 million through a public issue of government guaranteed preferred shares with a 9.25 per cent annual dividend, payable quarterly.

Government Assistance

In recognition of British Columbia Railway's role as a vehicle for the development of northern British Columbia, and as an operator of uneconomic services deemed to be in the provincial interest, the provincial government provides financial assistance to the railway. In 1983, the government provided debt servicing grants in the amount of $70 million for the railway's historic debt, in addition to operating grants of $10.7 million.

During June 1984, the provincial government undertook to eliminate the railway's historic debt through a cash payment of $429.9 million into the railway's sinking funds. This amount, together with the interest earned thereon, will provide for all interest and principal payments from the date of payment to maturity of the debt. As a result of this payment, the historic debt of the railway has been effectively retired. The remaining debt of the railway is limited to trade payables and short-term promissory notes.

Insurance Corporation of British Columbia

The Insurance Corporation of British Columbia was established in 1973 to administer Autoplan, a compulsory automobile insurance program providing basic liability coverage and accident benefits to all licenced motor vehicle owners in the province. In competition with other insurance companies, the corporation also offers a comprehensive range of optional automobile coverage.

Since its inception, the Insurance Corporation has also offered casualty and property damage coverage to all British Columbians through its general insurance operations. In May 1984, a decision was made by the government to offer for sale this aspect of the corporation's operations.

Table 4.3

Insurance Corporation of British Columbia Operating Data

Fiscal year ended December 31,		1982	**1983**	Change 1982–1983
Auto insurance				(per cent)
Number of vehicle policies		1,821,000	**1,833,000**	0.7
Premium income	($000)	657,566	**695,090**	5.7
Average premium	($)	361	**379**	5.0
Number of claims for policy year		476,000	**443,000**	−6.9
Cost of claims incurred	($000)	608,599	**625,674**	2.8
Other expenses	($000)	157,858	**166,921**	5.7
Unpaid claims	($000)	624,000	**762,000**	22.1
Expense ratio	(per cent)	14	**15**	7.1
Investment income	($000)	112,091	**101,841**	−9.1
Net income	($000)	3,200	**4,336**	35.5
General insurance				
Number of policies		117,000	**121,000**	3.4
Net premiums earned	($000)	26,328	**29,280**	11.2
Number of claims recorded		13,000	**12,000**	−7.7
Cost of claims incurred	($000)	19,934	**19,335**	−3.0
Other expenses	($000)	11,347	**13,083**	15.3
Unpaid claims	($000)	19,000	**17,000**	−10.5
Investment income	($000)	5,021	**4,346**	−13.4
Net income	($000)	68	**1,208**	—
Corporate				
Average number of employees		2,853	**2,724**	−4.5
Investments at year end	($000)	774,938	**933,973**	20.5
Total assets	($000)	943,791	**1,109,509**	17.6

Source: Insurance Corporation of British Columbia Annual Report 1983

The Insurance Corporation is self-supporting and has a mandate to achieve a 'break-even' position each year. Total revenue of the Insurance (Motor Vehicle) Act Fund reached $797.0 million for the year ended December 31, 1983. The number of policies in force remained at 1.8 million in 1983. The cost of claims incurred increased only 2.8 per cent to $625.7 million. Total expenses increased 3.4 per cent to $792.6 million. The fund reported net income of $4.3 million, which compares to net income of $3.2 million in 1982. At the end of 1983, the unappropriated surplus in the fund was $12.5 million.

General insurance operations reported net income of $1.2 million. Claims and expenses totalled $32.4 million, and retained earnings at December 31, 1983 were $13.5 million. A summary of operating information is presented in Table 4.3.

Together with government ministries and community organizations, the Insurance Corporation works toward reducing the number and severity of traffic accidents and toward increasing traffic safety awareness.

British Columbia Ferry Corporation

British Columbia Ferry Corporation was established in 1977 to assume responsibility for operation of the province's major coastal ferries. The corporation, which employs more than 2,000 permanent staff, operates one of the largest ferry systems in the world, as measured by traffic carried and routes serviced. The fleet of 25 vessels operating on 15 routes has a capacity of 4,400 cars and a licenced capacity of 20,000 passengers. Routes connect the Lower Mainland, Vancouver Island and the Gulf Islands. In addition, service is offered between Prince Rupert and Port Hardy (extended to Tsawwassen between October and May) and between Prince Rupert and Skidegate on the Queen Charlotte Islands. Chartered services for passengers and light freight are also provided for communities on the west coast of Vancouver Island and between Prince Rupert, Port Simpson and Kincolith. A chartered barge service for unaccompanied private and commercial vehicles is also provided between Prince Rupert and Masset.

Operations

Net operating revenue for the fiscal year ended March 31, 1984 totalled $111.1 million, an increase of 9.1 per cent from the previous year. Operating expense totalled $132.3 million, a decline of 4.8 per cent. The operating costs of the corporation are partially funded by the provincial government. In both 1982/83 and 1983/84, the provincial subsidy was $43.0 million. The corporation reported a net loss of $15.0 million during 1983/84, compared to a net loss of $35.9 million for the previous year. A summary income statement is provided in Table 4.4. The corporation has the authority to borrow up to $250 million, which may be guaranteed by the provincial government. To July 31, 1984, the corporation had borrowed $43.6 million.

Capital Expenditure

During 1983/84, the corporation spent $11.1 million on capital projects. Of this amount $2.0 million was spent on the completion of the upper level loading ramp at Horseshoe Bay. The propulsion and stern modifications for two vessels cost $5.6 million and $1.9 million was spent for enlargement of a jumbo vessel. It is estimated that a further $6.8 million will be required to complete the vessel enlargement.

Table 4.4

British Columbia Ferry Corporation Summary Income Statement and Operating Data

Fiscal year ended March 31.	1983	1984	Change 1983–1984
	($ millions)		(per cent)
Net operating revenue	101.8	**111.1**	9.1
Operating expense	139.0	**132.3**	−4.8
Operating loss before subsidy	37.2	**21.2**	−43.0
Provincial subsidy	43.0	**43.0**	—
Income from operations	5.8	**21.8**	275.9
Interest expense	5.1	**6.2**	21.6
Depreciation	34.7	**30.6**	−11.8
Extraordinary item	1.9	**—**	—
Net loss	35.9	**15.0**	—
Traffic	(thousands)		
Vehicles	4,462.7	**4,482.7**	0.4
Passengers	12,275.5	**12,397.9**	1.0
Capacity utilization (annual average)	(per cent)		
Vehicles	50.0	**56.0**	
Passengers	27.0	**25.0**	

Source: British Columbia Ferry Corporation Annual Report 1983 84

British Columbia Transit

British Columbia Transit was established in 1978 to ensure a uniform provincial policy for urban transit. This policy provides for financial, planning and technical assistance, and an equitable sharing of operating costs between British Columbia Transit and local municipalities.

British Columbia Transit began operations in several British Columbia communities on April 1, 1979, and now has annual operating agreements with 26 transit systems. Operations are financed through transit fees, contributions from the provincial government and contributions from municipalities. Contributions from the provincial government are made from general revenue, while municipal contributions may be raised through property taxation, an electrical power levy or a surcharge on gasoline.

An important part of British Columbia Transit's mandate is to provide a unified approach to such major transit functions as the management of land, buildings, vehicles and merchandising programs. This includes a provincial fleet of 1,400 vehicles, two Sea-Bus ferries and numerous other physical assets, including transit exchanges and garages.

British Columbia Transit has overall responsibility for the construction of a major urban transit project in Greater Vancouver, the 21.4-kilometre Vancouver Regional Rapid Transit line (ALRT) between downtown Vancouver and New Westminster. The rapid transit project is scheduled for completion in 1986, at a cost (before interest charges) of $854 million. To July 31, 1984, $333.4 million had been borrowed for this project.

British Columbia Transit also funds transportation for those who are unable to use conventional public transit vehicles. A custom transit service known as handyDART currently operates in Greater Vancouver, Victoria, Port Alberni, Maple Ridge, Abbotsford-Matsqui, Kamloops, Penticton, Kelowna, Vernon and Prince George.

A third transit program, paratransit for rural and less densely populated areas, operates in nine communities.

For the year ended March 31, 1984, operating expenditure of British Columbia Transit was $177.0 million, an increase of 1.0 per cent over 1983. Recoveries from transit operations totalled $67.6 million, with the resulting deficit being cost-shared by the participating municipalities and the provincial government (*see* Table 4.5).

Table 4.5

British Columbia Transit Statement of Operating Expenditures and Recoveries

Fiscal year ended March 31,	1983	**1984**	Change 1983–1984
	($ thousands)		(per cent)
Expenditures			
Transit operations	170,925	**172,441**	0.9
Administration	4,442	**4,599**	3.5
	175,367	**177,040**	1.0
Recoveries			
Contributions from the provincial government	76,606	**77,320**	0.9
Contributions from municipalities	29,497	**32,117**	8.9
Transit operations	69,227	**67,603**	−2.3
Interest earned	37	**—**	—
	175,367	**177,040**	1.0

Source: British Columbia Transit

British Columbia Petroleum Corporation

British Columbia Petroleum Corporation was established in 1973 to market natural gas produced in British Columbia. Pursuant to an agreement signed in that year, the corporation purchases gas from producers and sells it to Westcoast Transmission Company Limited. Under this agreement, Westcoast transferred its British Columbia gas purchase contracts to the corporation, but retained responsibility for gathering, processing and transporting gas and for selling it to domestic utilities and to the Northwest Pipeline Corporation in the United States. Westcoast retains its cost of service, including a return on its rate base, from the proceeds of gas sales and transfers the balance to the corporation. The corporation in turn deducts administrative costs and payments to producers, and transfers the remaining balance to the provincial government. Producers are not required to pay royalties or the costs of processing and transporting gas under this agreement. The corporation also owns and is responsible for selling all sulphur and natural gas liquids extracted during the processing of raw gas.

For the year ended March 31, 1984, revenue from gas sales totalled $565.0 million, an increase of 46.6 per cent over 1982/83. Expenses increased by 40.0 per cent to $404.0 million. Net income for the year was $163.1 million compared to $99.2 million in the prior year. A summary statement of income and retained earnings is provided in Table 4.6.

Table 4.6

British Columbia Petroleum Corporation Statement of Income and Retained Earnings

Fiscal year ended March 31,	1983	1984	Change 1983–1984
	($ thousands)		(per cent)
Revenue—gas sales	385,393	564,961	46.6
Expenses			
Gas purchases	287,129	402,258	40.1
Administrative and general expenses	1,474	1,708	15.9
	288,603	403,966	40.0
Income from operations	96,790	160,995	66.3
Other income	2,433	2,062	−15.2
Net income	99,223	163,057	64.3
Add: Retained earnings at beginning of year	56,901	63,535	11.7
Deduct: Transfers to Minister of Finance	92,589	143,700	55.2
Retained earnings at end of year	63,535	82,892	30.5

Source: British Columbia Petroleum Corporation Annual Report 1983 84

In the year ended March 31, 1984, gas sales increased 12.0 per cent to 6,441 million cubic metres, resulting in higher revenues to the corporation and producers. Export sales increased 39.8 per cent to 2,039 million cubic metres, reflecting an improvement in the United States economy and a winter which was colder than normal. Domestic sales increased by 3.0 per cent to 4,403 million cubic metres.

Under its gas purchase contracts with producers, the corporation is obligated to purchase and take delivery of, or pay for, a specified minimum annual volume of natural gas. In the 1983 contract year, the corporation was unable to take delivery of the minimum volume of gas and, therefore, is liable to pay for the resulting shortfall (deficiency gas). The corporation is entitled to take delivery of deficiency gas within a period of ten years from the date incurred, with an adjustment for the prices prevailing when such gas is delivered. The corporation's liability for deficiency gas for 1983 amounted to $33.7 million, which increased the value of accumulated deficiency gas to $105.8 million at March 31, 1984.

During the year, Ocelot Investments Limited, the operator of a methanol plant at Prince Rupert using provincial natural gas, experienced financial difficulties caused by the current international oversupply of methanol and the related low prices. British Columbia Petroleum Corporation and its subsidiary, British Columbia Gas Corporation, negotiated an agreement during the year to assist Ocelot by extending credit up to a maximum of $45 million. At March 31, 1984, the amount outstanding under this agreement was $32.5 million which is secured by the assets of Ocelot and is repayable, with interest, over 18 years commencing on May 1, 1986.

Pricing

On August 1, 1983, the provincial government increased the prices for natural gas paid to producers in British Columbia to $61.78 per thousand cubic metres for old gas and to $67.78 per thousand cubic metres for new gas.

The prices paid by domestic distributors in British Columbia were increased twice during the year, on August 1, 1983 and on February 1, 1984. These two price changes effectively increased the average wholesale price to $91.43 per thousand cubic metres.

The export price was reduced by the federal government effective April 12, 1983 from the Canadian equivalent of $4.60 (U.S.) per gigajoule to $4.10 (U.S.) per gigajoule.

Table 4.7

Recent Changes in the Export Price of Natural Gas

Date	Price Per Gigajoule[1]	Price Per MMBTU[1]
	($ US)	
Prior to May 1, 1979	2.00	2.14
May 1, 1979	2.14	2.30
August 11, 1979	2.61	2.80
November 3, 1979	3.22	3.45
February 17, 1980	4.17	4.47
April 1, 1981	4.60	4.94
April 12, 1983	4.10	4.40

[1] The gigajoule and MMBTU (million British thermal units) are used to measure the energy equivalence of various fuels

New Developments

In conjunction with the September 1983 release of *A Report on the Marketing of British Columbia Natural Gas* which was prepared by a study group under the chairmanship of Dr. George Govier, the government announced that British Columbia Petroleum Corporation would no longer be the sole purchaser of all natural gas produced in British Columbia. For additional information on the new natural gas marketing and royalty system, *see* the special topic box in Chapter 6.

British Columbia Development Corporation

British Columbia Development Corporation was established in 1973 to encourage economic growth and development in British Columbia by assisting in the establishment, expansion and continued operation of industry in the province.

The corporation has an authorized capital of $200 million and a limitation on its guarantees, debt and capital structure of one billion dollars. At March 31, 1984, the issued share capital was $54.6 million and outstanding debt, guaranteed by the province, was $143.6 million.

The Business Finance Division of the corporation provides loan capital to manufacturing, processing and high technology businesses for the creation, expansion or improvement of operations. In the 1983/84 fiscal year, the corporation approved 168 loans and guarantees valued at approximately $66 million, increasing the total portfolio to $130 million. Included in the $66 million in approvals were 29 loans totalling $11.9 million under the Low Interest Loan Assistance (LILA) program and 138 loans totalling $23.0 million under the Low Interest Funding Today (LIFT) program (*see* Table 4.8). The LILA program is administered by the corporation as trustee for the provincial government, while the LIFT program, suspended March 31, 1984, was financed from funds raised through the sale of development bonds by British Columbia Housing and Employment Development Financing Authority.

Table 4.8

Activities of the Business Finance Division, British Columbia Development Corporation

Major Loan and Guarantee Approvals for year ended March 31, 1984	Number	Total Program	Participation			Estimated Employment Created/ Preserved
			BCDC	LILA	LIFT	
		($ millions)				
Food and beverages	27	12.7	1.2	1.9	4.5	427
Wood products	28	13.5	1.3	1.8	3.0	461
Printing and allied industries products	13	3.1	—	0.8	1.3	151
Metal products	21	6.2	—	1.4	2.9	236
Transportation equipment	5	1.0	0.1	0.3	0.4	45
Electrical and scientific apparatus	17	4.8	0.3	0.9	2.4	141
Building products	21	6.9	0.3	2.0	2.4	216
Furniture	9	3.0	—	0.6	1.4	118
Plastic products	8	2.8	—	0.8	0.9	51
Clothing and allied industries	4	0.6	0.1	0.2	0.2	54
Miscellaneous manufacturing	15	11.4	2.0	1.2	3.6	172
Total	168	66.0	5.3	11.9	23.0	2,072

Source: British Columbia Development Corporation

The Projects Division undertakes special assignments to meet specific needs of the provincial government. The division is participating in urban renewal programs in New Westminster and North Vancouver at Lonsdale Quay; the development of a 150-hectare industrial park and shipping terminal at Duke Point in Nanaimo; the coordination and selection of sites for major proposed LNG (liquified natural gas) and petrochemical facilities near Prince Rupert and the collection of British Columbia transportation artifacts for use in Expo 86.

The corporation has holdings of more than 300 hectares in 14 industrial parks throughout the province and 800 hectares in other major industrial land holdings, as well as 1,620 hectares in land recently transferred from British Columbia Harbours Board. The corporation also acts as agent in the provision of Crown land for suitable industrial purposes.

At March 31, 1984, investment in industrial land and projects was $127.8 million. Total revenue for 1983/84 was $19.9 million, a decrease of 0.9 per cent from 1982/83. Expenses increased by 58.0 per cent to $29.7 million. After allowance for losses on loans, the corporation's net loss for the year was $21.3 million. A summary income statement for the corporation is provided in Table 4.9.

Table 4.9

British Columbia Development Corporation Summary Income Statement

Fiscal year ended March 31,	1983	**1984**	Change 1983–1984
Revenue—Industrial development programs	($ thousands)		(per cent)
Land and development project sales	3,809	**6,731**	76.7
Loans and guarantees	12,456	**9,732**	−21.9
Lease financing	1,016	**705**	−30.6
Other	2,782	**2,716**	−2.4
Total	20,063	**19,884**	−0.9
Expenses	18,772	**29,659**	58.0
Allowance for losses on loans	7,958	**11,511**	44.7
Net earnings (loss) for the year	(6,662)	**(21,286)**	—

Source: British Columbia Development Corporation

British Columbia Place Limited

British Columbia Place Limited, incorporated in March 1980, is responsible for the redevelopment of more than 73 hectares of land on the north shore of False Creek in Vancouver. Development is to take place over a 25-year period and will include a full range of residential accommodation, office and commercial space, a multipurpose stadium and more than 34 hectares of parks and other public activities. The first stage of the project was the completion of the $126 million British Columbia Place Stadium, a 60,000-seat covered amphitheatre which attracted more than two million people for tours and events in its first nine and one-half months of operation.

The first of ten distinct neighbourhoods was offered for sale early in 1984, with hotel, apartment and commercial opportunities. On completion, approximately 20,000 people are expected to live at British Columbia Place in 10,000 to 14,000 housing units and 30,000 people will work in 7.7 million square feet of office space.

More than 70 per cent of the total False Creek lands will be used for the 1986 World Exposition on Transportation and Communication. British Columbia Place is building the British Columbia Pavilion complex which will remain after the exposition.

Profits obtained through leasing of land will accrue to the provincial government, which retains full ownership of the corporation.

Expo 86 Corporation

Expo 86 Corporation is responsible for planning, developing and hosting the 1986 World Exposition on Transportation and Communication, to be held in Vancouver from May 2 to October 13, 1986. Located on two sites totalling 70 hectares adjacent to downtown Vancouver, Expo 86 is expected to have more than 80 major participants. Most of the exposition site is located on land which forms part of the larger British Columbia Place development. After the conclusion of Expo 86, any improvements to the site will revert to British Columbia Place Limited and form a part of its overall development strategy.

Permanent legacies will include the British Columbia Pavilion complex as a permanent community and exhibition centre, various pavilions, extensive foreshore and landscaping development and a trade and convention centre which is being constructed as the federal pavilion on Pier B-C.

British Columbia Steamship Company (1975) Ltd.

British Columbia Steamship Company (1975) Ltd. is incorporated under federal legislation and operates a daily, round-trip ferry service between Seattle, Washington and Victoria, British Columbia between May and September. The corporation's sole vessel, the *Princess Marguerite*, is licenced to carry 1,800 passengers and 50 automobiles.

The company's net loss in 1983 was $1.2 million after depreciation and interest, compared to $0.9 million in 1982. Passenger volume increased by 3.5 per cent in 1983 to 316,432 persons. Automobile traffic increased by 21.9 per cent in 1983 to 15,092 vehicles.

British Columbia Housing Management Commission

In 1983, the British Columbia Housing Management Commission was responsible for managing 7,778 rental units in which subsidies reduce rent to 30 per cent of tenants' incomes. The commission also provided similar rent supplements to 7,500 households in non-profit and designated private sector housing.

Physically and mentally handicapped persons housed in designated accommodation units are also offered rent subsidies, the cost of which is shared equally between the federal and provincial governments. At December 31, 1983, there were 273 units eligible for rent subsidies.

The provincial contribution to the commission in 1983 was $12.7 million, while the Canada Mortgage and Housing Corporation contributed $16.6 million.

Provincial Rental Housing Corporation

The Provincial Rental Housing Corporation, which was acquired in 1973, is incorporated under the *Company Act* and is wholly owned by the provincial government. The corporation is self-supporting and holds all public rental housing on behalf of the Ministry of Lands, Parks and Housing. At December 31, 1983, investment by the corporation in these rental properties totalled $76.2 million.

British Columbia Buildings Corporation

British Columbia Buildings Corporation is a Crown corporation established in 1976 to bring strict accountability to the provision and allocation of government accommodation. The corporation is self-supporting, raising operating funds by charging rent to government ministries based on rates in the commercial market place.

Net income of the corporation in 1983/84 was $8.5 million, down from $16.6 million in the prior year. Revenue increased 9.9 per cent, while operating expenses increased 6.2 per cent. Interest expense increased 50.5 per cent, with the large increase reflecting the borrowing undertaken for the corporation's investment in British Columbia Place. A summary of the corporation's financial information is presented in Table 4.10.

Table 4.10

British Columbia Buildings Corporation Summary Financial Information

Fiscal year ended March 31,	1983	1984	Change 1983–1984
	($ millions)		(per cent)
Revenue			
Rentals	194.9	**217.1**	11.4
Other income	11.8	**10.0**	− 15.3
	206.7	**227.1**	9.9
Expenses			
Property management	54.2	**56.3**	3.9
Leases	41.4	**45.2**	9.2
Depreciation and amortization	22.5	**25.3**	12.4
Utilities	16.7	**16.7**	—
Property taxes and grants	8.4	**9.5**	13.1
General and administrative	9.3	**9.0**	− 3.2
	152.5	**162.0**	6.2
Net income before interest	54.2	**65.1**	20.1
Interest	37.6	**56.6**	50.5
Net income	16.6	**8.5**	− 48.8

Source: British Columbia Buildings Corporation

British Columbia Systems Corporation

British Columbia Systems Corporation was established in 1977 to consolidate and rationalize data processing services provided to the government. In 1983/84, the corporation received 89 per cent of its revenues from provincial government ministries, with the balance received from other government entities for which it provides data processing services.

On August 31, 1983, the government announced its intention to dispose of the assets of the corporation, provided that an acceptable bid was received. On April 19, 1984, the Minister of Finance announced that all sale bids had been rejected.

The government is currently in the process of reorganizing the activities of the corporation and the data processing function in government to place a greater emphasis on contracting services from private firms and to encourage the development of the high technology sector in British Columbia.

British Columbia School Districts Capital Financing Authority

As the marketing agency for the capital funding requirements of school districts, this authority raised $131.1 million in the 1983/84 fiscal year. Since 1963, $1,532 million has been provided to school districts by the authority, all guaranteed by the province. The net debt outstanding at March 31, 1984 was $1,007.9 million.

British Columbia Regional Hospital Districts Financing Authority

As the marketing agency for the capital funding requirements of regional hospital districts, this authority raised $95.4 million in the 1983/84 fiscal year. Since 1967, a total of $910 million has been provided to regional hospital districts by the authority, all guaranteed by the province. The net debt outstanding at March 31, 1984 was $741.5 million.

British Columbia Educational Institutions Capital Financing Authority

The authority is the marketing agency for the capital funding requirements of universities, colleges and provincial institutes. Borrowing of $80.5 million was undertaken in the 1983/84 fiscal year. Since 1978, a total of $389.8 million has been provided to educational institutions by the authority, all guaranteed by the province. The net debt outstanding at March 31, 1984 was $385.3 million.

Liquor Distribution Branch

The Liquor Distribution Branch of the Ministry of Consumer and Corporate Affairs, operating under the *Liquor Distribution Act*, is responsible for the distribution and retail sale of alcoholic beverages in British Columbia. The purposes of the branch are to provide a high level of service to consumers, to provide suppliers with a controlled and equitable access to the market, to raise revenue for the government and to encourage responsibility in the use of alcohol.

The ongoing program of upgrading retail service and facilities continued during 1983/84 with the opening of three additional stores, the first "Beer Only" store operating in conjunction with an existing liquor store and seven replacement stores. At year-end there were 217 government liquor stores and 95 agency stores. Approximately 1,800 products, including specialty items, were offered for sale.

Net income was $349.5 million for the 1983/84 fiscal year, up 3.7 per cent from the previous year. Summary financial information is presented in Table 4.11.

Provincial Capital Commission

In cooperation with the municipalities of Victoria, Esquimalt, Saanich and Oak Bay, and latterly Sidney, North Saanich and Central Saanich, the Provincial Capital Commission has spent or committed almost $7.75 million for improvement projects since 1956. Recent major projects have included the restoration of the Crystal Garden, revitalization of Victoria's Chinatown and improvements to Colquitz River Park in Saanich.

The commission is currently responsible for the former campus of St. Ann's Academy in Victoria and is attempting to achieve its eventual rehabilitation through a staged program of restoration. In addition, protection and enhancement of arterial approaches to the city have become a priority concern.

Table 4.11

Liquor Distribution Branch Summary Income Statement

Fiscal year ended March 31,	1983	1984	Change 1983–1984
	($ millions)		(per cent)
Sales	836.0	857.5	2.6
Cost of merchandise sold	450.0	462.6	2.8
	386.0	394.9	2.3
Provincial malt levy[1]	47.7	50.8	6.5
	433.7	445.7	2.8
Operating expenses	98.4	99.9	1.5
	335.3	345.8	3.1
Other income	1.8	3.7	105.6
Net income	337.1	349.5	3.7

[1] The provincial malt levy represents the margin on sales made directly to licensed establishments by authorized brewers agents on behalf of the Liquor Distribution Branch.

Source: Liquor Distribution Branch

5. Provincial Programs for People

Provision of Social Services

The provincial government provides a wide range of social services, including programs for health, education, income assistance, housing, justice, recreation and culture. The cost and type of programs provided are strongly influenced by the size of the provincial population and by its demographic characteristics. Changes in the age structure and size of the population affect the education system, health-care requirements, need for shelter, job retraining needs, programs for the elderly and a range of other government services.

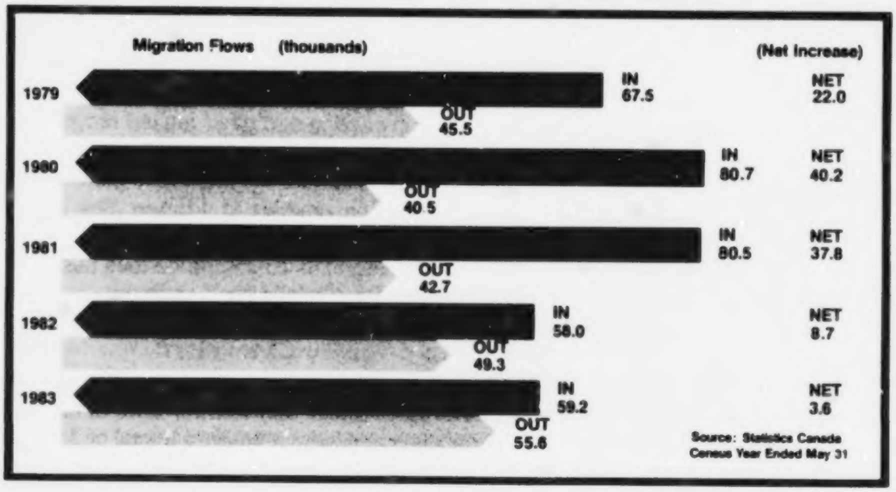
Population and Migration

British Columbia's population at June 1, 1983 was estimated at 2,826,000, up 1.3 per cent from the previous year. This growth rate is the lowest since 1936 and reflects the impact of the 1981-82 recession on the province's population growth.

Traditionally British Columbia has experienced population growth well above the national average. The population grew at a 2.3 per cent annual rate between 1971 and 1981 compared to a 1.2 per cent annual rate for Canada. As a result, the province's share of national population increased from 10.1 per cent in 1971 to 10.7 per cent in 1976 and 11.3 per cent in 1981.

Much of the slowdown in the rate of population increase in the 1983 census year (year ending May 31, 1983) reflects a decline in net interprovincial migration to the lowest level since the 1976 census year, when there was a net outflow of 4,400 people. During the 1983 census year, net migration to British Columbia from other provinces totalled only 3,600, compared to 8,700 in the 1982 census year and more than 40,000 in the peak census year of 1980 (*see* Chart 5.1).

Chart 5.1 British Columbia Interprovincial Migration (Census Basis)



Source: Statistics Canada
Census Year Ended May 31

International migration also declined, falling to 9,500 in the 1983 census year from 16,200 in the previous year. The combined effect was a 45 per cent drop in the net inflow of people to the province in the 1983 census year, due primarily to reduced economic activity associated with the 1981-82 recession and the consequent decline in job opportunities in the province.

A slowdown in the rate of natural increase (births minus deaths) also contributed to reduced population growth in the province in the1983 census year. The number of births in the province was 41,900 in the 1983 census year, compared to 42,500 in 1982. The British Columbia birth rate fell to 14.60 per 1,000 population in the 1983 census year from 15.39 in the 1982 census year and is lower than the Canadian average.

Demographic Structure

Changes in birth rates in recent years have had an important impact on the demographic structure of the province. Much of the variation in age groups is directly attributable to the effects of the post-war baby boom; that is, of the population born between 1946 and 1959.

In 1983, the group aged 15 to 34 in British Columbia comprised an estimated 34.7 per cent of the population. By contrast, in 1971 the 15-34 age group comprised only 31.1 per cent of the population. During the same period, the percentage of persons aged 5 to 14 fell from 19.9 per cent to 13.9 per cent of the province's population.

This passing of the baby boom group through the province's demographic structure has significantly affected the demands for public services. In the late 1960's and early 1970's, the large proportion of the population accounted for by the baby boom group led to increased pressure on educational institutions. As the baby boom group has aged and entered the labour force, the demand for educational facilities has been reduced while the requirement for manpower planning and job retraining has increased. As the baby boom group ages, it can be anticipated that there will be an increased need for long-term care and health-related services.

Health Programs

In the 1983/84 fiscal year, almost $2.5 billion was allocated to provincial health programs, including planning and development programs for 28 regional hospital districts and community health service programs in 22 health units. The Ministry of Health funds all 125 public hospitals and five government institutions in the province, and operates medical insurance and other related programs.

Hospital Programs

The 1983/84 gross operating expenditure for the province's general, rehabilitation and extended care hospitals was approximately $1.4 billion. This expenditure was funded almost entirely through direct provincial government contributions, with the exception of receipts from such charges as co-insurance fees assessed to patients, per diem fees billed to other provinces and payments by the Medical Services Plan.

During 1983/84, 419,000 acute/rehabilitation patients were discharged from the province's hospitals. The average hospital stay was 7.7 days at an average cost of $303 per day. Acute/rehabilitation patients received a total of 3.2 million days of care, of which 97 per cent were covered by hospital benefit programs.

In 1983/84, 11 major hospital capital projects were completed, at an estimated cost of $100 million. The largest of these was Eagle Ridge Hospital in Port Coquitlam, with a potential capacity of 250 acute beds. More than 15 projects are currently under construction, involving a capital cost anticipated at $133 million. A further 30 projects with an estimated total cost of $388 million have been approved for planning. These capital costs are shared by the provincial government and the regional hospital districts, with the government contributing approximately 60 per cent of approved costs. A total of $28 million was also allocated for hospital equipment acquisition during 1983/84.

Medical Services Plan

The Medical Services Plan of British Columbia provides comprehensive medical care coverage on a voluntary basis to residents of the province. The basic coverage includes services by physicians and surgeons, certain in-hospital surgery performed by oral or dental surgeons and specified, limited services of nurse practitioners, chiropractors, naturopathic physicians, optometrists, orthoptic technicians, physiotherapists, podiatrists and orthodontists.

The Medical Services Plan is financed through subscribers' premiums and provincial contributions. (Premium rates are listed in Appendix 5). Premium assistance is available in the form of a 90 per cent subsidy to eligible subscribers whose taxable income in the previous year was below $1,990 and a 50 per cent subsidy to eligible subscribers whose taxable income was between $1,990 and $2,930. In addition, temporary premium assistance in the form of a 90 per cent subsidy is available to those unable to meet premium charges due to illness, disability, unemployment or financial hardship.

At March 31, 1984, the Medical Services Plan covered more than 1.3 million subscribers with 1.4 million dependents. Coverage of these persons, and coverage by the federal government of other residents such as Armed Forces personnel, provided more than 97 per cent of British Columbians with the protection of prepaid medical care programs.

Preventive Services

Health districts in non-metropolitan areas throughout the province offer a wide range of preventive and public health services. Public health nursing, dental care, speech and hearing services, communicable disease control and public health inspection services are made available to all residents through schools, clinics and other community settings. The Capital Regional District and five Greater Vancouver municipalities each operate their own public health departments, which receive consultative and specialized services, as well as financial assistance, from the provincial government. These preventive services are supported by laboratory and other resources operating from Vancouver.

Continuing Care Program

The Continuing Care Program is available throughout the province to persons who, as a result of health-related problems, can no longer function independently. The Home Care Program is designed to help eligible individuals remain in their own homes, and provides care to persons discharged from acute care hospitals. When this is no longer possible, admission to a community care facility or extended care hospital is initiated. The program funds profit and non-profit facilities and operates specialized facilities such as Valleyview in Port Coquitlam.

At March 31, 1984, there were 18,383 residents in long-term care facilities and 6,099 residents in extended care units. During 1983/84, the Home Care and Community Physiotherapy programs provided service to approximately 54,000 patients, and 26,000 long-term care clients received a total of 4.7 million hours of service through group homes for the disabled, adult day-care or homemaker agencies.

Emergency Health Services Commission

The Emergency Health Services Commission is responsible for the provision of ground ambulance service, coordination of air ambulance service and training of ambulance personnel. The commission is empowered under the *Health Emergency Act* to establish, equip and operate various emergency health care services, provide temporary physician coverage, take responsibility for the medical aspects of disaster planning and improve communication systems for emergency health services. The commission is also responsible for updating and relocating federal emergency medical stores throughout British Columbia.

The commission currently maintains 187 ambulance stations throughout the province. In 1983/84, it operated 336 ambulances, which responded to 214,616 calls, including hospital transfers. The commission also authorized 4,046 air evacuations.

Forensic Psychiatric Services Commission

The Forensic Psychiatric Services Commission provides consulting and assessment services to the courts and treatment to mentally disordered persons referred by court order. The commission operates the Forensic Psychiatric Institute in Port Coquitlam, clinics in Vancouver and Victoria and travelling clinics throughout the province. During 1983/84, 1,307 assessments were performed, a six per cent decrease from the previous year. The commission also operates the Maples Adolescent Treatment Centre, a facility for psychiatrically disturbed adolescents.

Mental Health Services

The Mental Health Services Program provides a wide range of support to residents with mental health problems. Direct services are delivered through Riverview Hospital, Burnaby Psychiatric Services, 32 mental health centres and 20 sub-offices throughout the province. The division also coordinates related services delivered through other branches and ministries as well as through private agencies, and administers a grant to the Greater Vancouver Mental Health Service. In 1983/84, there were 24,825 cases treated on an out-patient basis, 1,907 separations from in-patient facilities, and 530,847 patient days in specialized mental health residential care facilities.

Alcohol and Drug Programs

Alcohol and drug programs provide a full range of treatment to individuals who suffer from alcohol or drug dependency. The ministry administers out-patient and detoxification services in many centres. Where treatment services cannot be offered directly, the program provides funding to community agencies to deliver treatment.

Education Programs

The Ministry of Education provides overall management of the school system, while direct administration is provided by locally elected boards of trustees in the province's 75 school districts. In the 1983/84 fiscal year, $1.6 billion was allocated by the provincial government to 1,600 schools with more than 495,000 pupils. The net amount raised through local school taxes was $0.4 billion.

In addition, $21 million was provided in 1983/84 for 130 independent schools with approximately 22,500 pupils.

Universities, Colleges and Institutes

During 1983/84, approximately $350 million was provided for the operation of 3 public universities, while $319 million was provided for the operation of 15 community colleges and 6 provincial institutes. More than 52,000 full- and part-time students were enrolled in the three universities and approximately 104,000 others were enrolled during the year in academic, career/technical and vocational programs at the colleges and institutes.

Human Resources Programs

The Ministry of Human Resources delivers a wide range of social services and income security programs to assist the elderly, the handicapped, families and children and others requiring income assistance or social support.

Income Assistance

Income assistance is provided to British Columbia residents between the ages of 19 and 64 who cannot provide the necessities of life for themselves and their dependents. In March 1984, income assistance was provided for 257,082 persons, including 111,061 dependents. The program also provides an assured minimum income for eligible handicapped persons and senior citizens. The total cost of income assistance in the 1983/84 fiscal year was approximately $780 million, up sharply from the previous fiscal year due primarily to a continuation of higher than expected unemployment levels resulting from the economic recession of 1981-82.

The SAFER (Shelter Aid for Elderly Renters) program provides renters aged 65 and over with monthly shelter aid payments equal to 75 per cent of the amount by which their rent, up to a maximum eligible amount of $330 for a single person and $365 for a couple, exceeds 30 per cent of income. In March 1984, 10,020 persons qualified for SAFER benefits. Expenditure on the program was $9 million in the 1983/84 fiscal year.

Pharmacare

The Pharmacare program provides prescription drugs at no charge to senior citizens, residents of long-term care facilities and income assistance recipients. The program also reimburses all other British Columbia residents for 80 per cent of eligible pharmacare expenses exceeding $175 in a calendar year. Total expenditure for the program in 1983/84 was $107 million.

Family and Children's Services

The Ministry of Human Resources provides services for children and families including adoption services, child protection services, foster care and family support services such as homemaker services for the care of children. In 1983/84, expenditure totalled $85 million.

The Funding of Public School Education

Public School Education Costs

Over the period 1972 to 1983, expenditure on public school education in British Columbia increased at an average annual rate of approximately 14.0 per cent, compared to an average annual rate of increase of 9.2 per cent in the Vancouver Consumer Price Index. Over the same period, the number of pupils receiving public school education decreased from 514,217 in 1972 to 482,255 in 1983 and the number of public school teachers increased from 22,839 to 28,184. The result was a decline in the pupil teacher ratio and a sharp increase in school expenditure per pupil from $876 in 1972 to $3,937 in 1983.

The Funding System

The funding of public education in British Columbia involves a joint system of local taxes and provincial government grants. Under the new system introduced in 1982, the provincial government provides a minimum of 60 per cent of each school board's approved operating budget, through provincial grants and through the distribution of funds raised through non-residential property taxation. The provincial government shares in the remaining 40 per cent of each board's budget in inverse proportion to each district's relative wealth, as measured by residential assessed value per pupil.

During 1983, the total operating costs of public schools (including operating and debt servicing costs, home owner grants and the employers' contribution to teachers' pensions) was funded by general contributions from the provincial government (51.6 per cent), non-residential property taxation (34.9 per cent), residential property taxation (8.7 per cent) and miscellaneous revenues and surpluses (4.8 per cent). The provincial government establishes the tax rate for the levy on non-residential property in all districts and distributes the total proceeds of the levy among the school districts. Each school board establishes a residential property tax rate to cover the remainder of the approved budget, with the provincial government providing the home owner grant to reduce the property tax burden on local taxpayers.

The rapid increase in public school education costs over the last decade has caused concerns over public education cost control. As a result, the provincial government has revised its budget and information systems to improve control over education costs at both the local and provincial levels and to enable the link between policy decisions and costs to be clearly recognized. The new system uses a combination of provincially established public school education service levels and provincially accepted cost factors to establish the amount required to provide basic educational services in each school district. Expenditure will be set at a level consistent with a return to the pupil teacher ratio that prevailed in 1976. Starting in 1983, this level of expenditure is being phased in over a three-year period.

Activity Indicators for the Public School System

	1972	1976	1980	1983
Pupils[1]	514,217	525,344	494,522	482,255
Teachers[1]	22,839	27,455	27,861	28,184
Pupil Teacher Ratio	22.5	19.2	17.8	17.1
Average Class Size — Elementary	N.A.	24.7	23.1	23.9
— Secondary	N.A.	24.2	23.3	23.1
Total Gross Expenditure per Pupil	$876	$1,734	$2,678	$3,937

[1] On a full-time equivalent basis.

Rehabilitation and Support Services

The Ministry of Human Resources offers numerous rehabilitation and support services. These include residential care, life skills training and achievement centres for mentally handicapped adults, subsidized and special needs day-care and a range of job preparation programs for income assistance recipients. Under the Community Projects Funding Program, the ministry assists non-profit societies which provide social services in local communities. In 1983 84, contributions of $6 million were provided to community projects and $23 million was allocated for the provision of community residential care for the handicapped. In addition, the ministry operates two institutions and funds a third facility accommodating mentally handicapped persons.

Services for Seniors

Many of the programs administered by the Ministry of Human Resources provide services for the province's senior citizens. Included are SAFER, subsidized bus passes and counselling services.

Housing and Land Development

Through regional offices in Burnaby, Victoria, Cranbrook, Prince George, Kamloops, Williams Lake, Fort St. John and Smithers, the Ministry of Lands, Parks and Housing encourages the development and servicing of Crown and private lands for residential and recreational uses. This development is undertaken either directly or through agreements with municipalities. The ministry also encourages the provision of subsidized housing through local non-profit societies for senior citizens and disabled persons.

Home Ownership Assistance

The Ministry of Lands, Parks and Housing operates the Home Purchase Assistance Program as follows:

- Second mortgages of up to $10,000 are available to eligible purchasers of new or used homes with values within prescribed price limits. In 1983 84, 6,000 mortgages were issued totalling $53 million.
- Grants of either $1,000 or $2,500 were available to first-time home purchasers prior to July 1983. Approximately 13,500 grants totalling $21 million were paid in 1983 84 for homes acquired before the program was terminated in July 1983.

Rental Conversion Loan Program

The Rental Conversion Loan Program provides first and second mortgages of up to $25,000 per new unit created in the conversion of single family homes, industrial, or commercial property to rental accommodation. In 1983 84, 11 loans totalling $1.1 million were issued for the creation of 55 new rental units.

Provincial Home Acquisition Account (1967)

This special account is the source of funds for loans and grants issued under the Home Purchase Assistance and Rental Conversion Loan programs. The *Home Conversion and Leasehold Loan Act* also provides for leasehold mortgage loans to be paid from the account.

The account was increased in 1983 84 by interest earnings of $31.0 million, and was reduced by grant payments of $20.9 million, interest rebates of $0.8 million, payments for life insurance on second mortgages of $0.16 million and miscellaneous expenses of $1.5 million. The account balance at March 31, 1984 was $342 million, consisting of $228 million in mortgages and $114 million in cash and temporary investments. Mortgages and grants issued from 1967 to date are shown in the following table.

Table 5.1

Provincial Home Acquisition Account (1967)

	Number	Value ($ millions)
Second mortgage loans	131.280	584.3
Home acquisition grants	190.865	188.4
Leasehold and conversion mortgages	982	29.1
Total	323.127	801.8

British Columbia Home Program

The B.C. Home Program provides interest-free loans to reduce the effective interest rate on the first $60.000 of mortgage debt to 12 per cent. These interest reduction loans are available until September 30. 1985 and are repayable on September 30. 1986. In 1983 84. interest reduction loans totalling $44 million were paid to more than 44.000 home owners.

Crown Land Account (1979)

This special account provides financing on a recoverable basis for the acquisition. servicing and development of land for residential. recreational. agricultural and commercial purposes as well as financing for interest reduction loans to homeowners under the B.C. Home Program. The account also provides grants to support special land acquisition for provincial parks. greenbelts. ecological reserves and related purposes.

Housing Initiative Program

The Housing Initiative Program made $200 million available during 1980 for first mortgage financing on qualifying new rental housing projects and owner-occupied homes. at a preferred rate of 9 3 4 per cent. The program generated construction of 2.215 owner-occupied houses and 2.850 rental units with a total value of almost $275 million. At March 31. 1984. the balance outstanding under this program was $96 million. repayment of which is due in full by February 1986.

Senior Citizens' Housing

In 1983 84. grants totalling $3.4 million were paid to non-profit societies to assist in the construction of housing for senior citizens. During the year. nine projects containing 239 units were completed. To date. more than 19.000 units have been constructed under this program. primarily under non-profit society management.

Housing for the Disabled

Non-profit societies received $231.475 in grants in 1983 84 to assist in the purchase of eight houses which will accommodate 37 disabled people in group homes within their own community.

Land Tax Deferment Program

The Ministry of Finance administers the Land Tax Deferment Program. which enables elderly citizens. widows. widowers and certain handicapped persons to defer property taxes on their ordinary place of residence. Interest is charged at eight per cent per annum on deferred taxes. In 1983. 2.901 persons benefitted from this program. compared to 2.954 in 1982.

Labour Programs

Apprenticeship and Employment Training

The Apprenticeship and Employment Training Programs of the Ministry of Labour develop and administer job training and employment stimulation programs.

At March 31, 1984, 13,200 apprentices were registered with the ministry and a total of 3,700 apprentices completed their programs during 1983 84. Post-secondary vocational training centres provided day school technical training for 11,500 apprentices in 50 trade areas. Employment training and job stimulation programs during the fiscal year resulted in training and employment opportunities for 11,200 workers. A further 850 persons were assisted in finding jobs and training through rehabilitative employment programs. Projects generated by joint federal provincial endeavours, such as the Canada-British Columbia Employment Development Program, the Community Recovery Program and the Apprentice Simulated Practical Work Experience Program, provided 7,000 jobs and training opportunities.

Employment Standards

The Employment Standards Branch is responsible for administering standards for the minimum wage, payment of wages, maternity protection, vacation and general holiday leave. Also covered are hours of work, employment of children, employment agencies, employment termination, farm labour contractors and hiring practices. During 1983 84, industrial relations officers made 16,690 investigations which also included assignments on behalf of the Labour Relations Board.

Mediation Services

Settling labour disputes within the province is the prime objective of the Mediation Services Branch. During 1983 84, officers were involved in seeking solutions to 403 disputes.

Safety Engineering Services

The Safety Engineering Services Division offers a number of services designed to ensure a safe and healthy living and working environment with respect to the manufacture, installation and operation of boiler and pressure vessels; elevators and amusement rides; electrical and gas systems and equipment and the occupational environment. The division objectives are met through standards development, safety education and regulatory activities. Some 190,000 regulatory inspections and 500 safety seminars were conducted for the public and industry during 1983 84.

Human Rights

The Human Rights Branch of the Ministry of Labour enforced the British Columbia *Human Rights Code* by investigating complaints of discrimination and reaching settlements through a process of conciliation. In 1983, over 7,600 inquiries were received by the branch, and 401 complaints were filed under the code.

In 1984, the *Human Rights Act* was enacted, repealing and replacing the *Human Rights Code*. The act transferred the responsibilities of the Human Rights Branch to a new Council of Human Rights. Officers of the Employment Standards Branch will provide investigative services to the Council.

Women's Programs

The Office of Women's Programs is responsible for the development and implementation of provincial policies and programs to ensure equal access for women in employment, training, education and career advancement.

Employment Development Account (1982)

The Employment Development Account was established in 1982 to provide funds for job creation initiatives and related employment services. In 1983 84, expenditure for special and existing employment initiatives, including highway construction, river protection and agricultural food processing programs, totalled $239.8 million.

Administration of Justice

The Ministry of Attorney General is responsible for the administration of justice in British Columbia through the corrections, police and court systems. The ministry also provides legal advice to government on matters of criminal, civil, constitutional and administrative law, and drafts proposed regulations and legislation. In addition, the Law Reform Commission continuously reviews provincial laws and makes recommendations to the Attorney General.

Police Services

The Police Services Branch is responsible for providing services to help protect life and property and to reduce crime. The branch is responsible for municipal police training through the British Columbia Police Academy, while the British Columbia Police Commission monitors and audits operation of local police forces. Under federal provincial agreements, the Royal Canadian Mounted Police serves as the provincial police force and provides police services to most municipalities. The Coordinated Law Enforcement Unit coordinates activities of police and other agencies to suppress organized crime. The CounterAttack program is designed to prevent impaired driving. In addition, crime prevention and auxiliary police programs promote community involvement in policing.

Criminal Justice

The Criminal Justice Branch is responsible for the operation of Crown Counsel services for the prosecution of criminal cases and offences against provincial statutes and many municipal bylaws, in the trial and appellate courts of the province and in the Supreme Court of Canada.

Corrections

The Corrections Branch is responsible for family counselling, correctional services, youth and adult probation and correctional facilities for certain accused or convicted juveniles and adults.

The branch operates 82 probation and family service offices throughout the province. Facilities include seven secure adult custodial institutions, two secure containment centres for delinquent youths, twelve open facilities for adults, two open camps for youths and seven community correctional centres. The open facilities allow sentenced offenders to participate in useful work, while the community correctional centres help offenders re-entering the community. Probation offices provide a wide range of services to courts and communities throughout the province.

Court Services

The Court Services Branch provides administrative services to all courts in the province except the Federal Court of Canada. The branch also provides sheriff, reporting and ancillary support services, and assists British Columbia Buildings Corporation in the design, construction and maintenance of all courthouses in the province.

Legal Aid

The Legal Services Society offers legal assistance to individuals who would otherwise be unable to obtain legal counsel, and funds public legal education and information services.

Environmental Protection Programs

The Ministry of Environment is responsible for protecting the British Columbia environment, conducting research, environmental inventory activities and performing licencing functions to achieve environmental protection objectives.

The Cabinet Committee on Environment and Land Use coordinates the environmental and resource planning activities of government.

Waste Management

The Ministry of Environment establishes pollution discharge quality objectives for municipalities and industries. These standards are set in discharge permits which are required to authorize the discharge of any waste into the environment. Financial incentives are used to encourage compliance with the standards. Local governments receive financial assistance for sewage disposal through the Ministry of Municipal Affairs.

The Waste Management Branch administers several programs which encourage environmentally safe waste treatment and resource recovery. A program of irrigation with sewage is currently being operated in several locations. Paper, rubber and oil waste recovery and recycling programs are being encouraged by the ministry.

Ecological Protection

The Ministry of Lands, Parks and Housing administers the *Ecological Reserve Act*. A total of 111 ecological reserves covering 151,000 hectares (about one-third subtidal) have been established under the act.

Conservation Projects

The Wildlife Branch of the Ministry of Environment administers the Habitat Conservation Fund for the enhancement and acquisition of important fish and wildlife habitat. Since 1981, the fund has financed 101 enhancement projects throughout the province with a total expenditure of $3.5 million. The Public Conservation Assistance Fund annually offers a total of $50,000 to non-profit clubs and organizations to defray the capital costs of conservation projects.

Fisheries

Angling regulations set by the ministry ensure that existing fish stocks are maintained, while the fish culture program uses several large hatcheries to supplement natural spawning areas.

Pesticide Control

The Pesticide Control Branch of the Ministry of Environment is responsible for regulating the sale and use of all pesticides in the province.

Provincial Emergency Program

The Provincial Emergency Program of the Ministry of Environment, with five regional offices, works to ensure that British Columbia is prepared for any type of emergency. Program officials provide training and direction to ministries, Crown corporations, regional districts, municipalities and more than 10,000 skilled volunteers.

Flood Relief

In the 1983 84 fiscal year, the Ministry of Environment provided more than $8 million in relief assistance to overcome the effects of flood waters on public and private property.

Consumer and Corporate Affairs

The Ministry of Consumer and Corporate Affairs administers 56 statutes and related regulations designed to prevent abuse in the marketplace.

Consumer Affairs

The Consumer Affairs Program is responsible for consumer and business education, licencing of certain businesses and the enforcement of statutes such as the *Consumer Protection Act* and the *Trade Practice Act*. The program maintains registries of cemeteries, travel agents and motor dealers. In addition, it offers counselling services to consumers with debt problems and assistance to borrowers and lenders in the administration of debt repayment schedules. The program is also responsible for licencing debt collectors, bailiffs and credit reporting agencies.

Residential Tenancy Branch

The Residential Tenancy Branch (which replaced the Office of the Rentalsman as of July 1, 1984) provides landlords and tenants with information about the *Residential Tenancy Act* to help avoid disputes. The branch also provides an arbitration service to settle differences over non-monetary issues.

Liquor Licencing

The Liquor Control and Licencing Branch is responsible for licencing and supervising all liquor resale establishments to ensure they operate in compliance with the pertinent statutes and regulations. The branch also licences provincial manufacturers of beverage alcohol. (For information and statistics pertaining to the Liquor Distribution Branch, *see* Chapter 4.)

Corporate Affairs

The Corporate Affairs Program regulates the instruments and documents used to conduct business in British Columbia and also administers a wide variety of corporate statutes. Corporate affairs consists of three major divisions:

- The Office of the Superintendent of Brokers, Insurance and Real Estate regulates the securities, mortgage broker, insurance and real estate industries. In 1983 84, changes to the *Partnership Act* were enacted by the Legislature to stimulate growth in British Columbia's resource development sector. Also, steps were taken to streamline real estate development procedures by reducing requirements for prospectuses prior to the sale of subdivided land.

- The Office of the Registrar of Companies maintains statutory files on all companies, cooperatives, partnerships and societies operating in the province. The central registry maintains a registry of chattel mortgages and liens against motor vehicles and personal chattels.

- The Office of the Superintendent of Credit Unions, Cooperatives and Trust Companies regulates and examines the finances of credit unions, registers cooperatives and regulates and inspects all trust companies operating in the province.

Land Registry

The seven land title offices of the Ministry of Attorney General maintain records of all transactions in real property and issue certificates of title for each parcel of land. Each office has a registrar responsible for correctly interpreting the *Land Title Act* and all applicable statutes, to ensure that security of title is maintained at all times.

Mobile Home Registry

The *Mobile Home Act* provides for a mobile home registry to protect mobile home owners and purchasers in the same way that the land registry protects buyers and sellers of conventional real estate.

Recreation and Sport

In the 1983 84 fiscal year, the Recreation and Sport Branch of the Ministry of Provincial Secretary and Government Services provided $5.3 million in grants and financial assistance from the Physical Fitness and Amateur Sports Fund and the Lottery Fund to the recreation and sport community for administrative and organizational support, leadership development activities, amateur sport competitions and athletic development.

Cultural Services

The Cultural Services Branch of the Ministry of Provincial Secretary and Government Services administers the British Columbia Cultural Fund which provides assistance to provincial arts organizations. In 1983 84, the branch provided grants totalling $6 million to major professional arts institutions and organizations in the fields of music, dance, theatre, crafts and visual and literary arts.

Library Services

In the 1983 84 fiscal year, the Library Services Branch of the Ministry of Provincial Secretary and Government Services provided grants totalling $6.2 million to municipal and regional public libraries, public library associations, reading centres and other library groups.

Special grants totalling $819,000 were made to designated public libraries from the Provincial Computerization of Libraries Account to institute automatic cataloguing and circulating systems. The account was established in 1980 with an appropriation of $3 million.

Provincial Parks

Under the *Park Act*, the Ministry of Lands, Parks and Housing administers a provincial park system comprising 365 parks and recreation areas which encompass more than 4.6 million hectares.

British Columbia Heritage Trust

The British Columbia Heritage Trust was established in 1977 by the *Heritage Conservation Act*. In the 1983 84 fiscal year, 136 grants valued at $2.2 million were awarded from the Trust Fund.

Ombudsman

The *Ombudsman Act*, passed in 1977, provides for an independent officer of the Legislative Assembly to investigate complaints about provincial government ministries and certain other government agencies.

6. Industrial Development

Geography

The province of British Columbia is located on the Pacific coast and has a land and freshwater area of 95 million hectares. It is the third largest Canadian province, comprising 9.5 per cent of Canada's total surface area. The province's coastline measures 7,022 kilometres, supporting a large international and coastal shipping industry through ice-free, deep-water ports.

British Columbia's total area contains approximately 54 million hectares of forest, 2.7 million hectares of arable or potentially arable land, 6.6 million hectares of land that can be used for grazing and 3.6 million hectares of lakes and rivers.

Industrial Structure

British Columbia is endowed with an abundance of diverse natural resources, including forests, minerals, petroleum and natural gas, water, agricultural land, fisheries and scenic attractions. As a result, economic activity in the province has been based in large measure on the development of these resources. While service industries made up 64.6 per cent of gross domestic product in British Columbia in 1982, the foundation of the provincial economy continues to be goods production (*see* Table 6.1).

Table 6.1

Gross Domestic Product (at factor cost)[1]

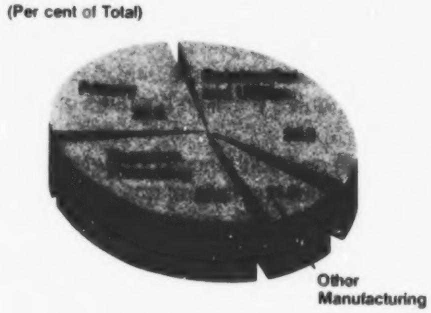
Sector	1972	Per Cent of Total	1982	Per Cent of Total
	($ millions)		($ millions)	
Agriculture	143	1.4	537	1.3
Forestry	249	2.4	1,072	2.7
Fishing and trapping	43	0.4	146	0.4
Mining	352	3.4	1,866	4.7
Manufacturing	1,920	18.5	5,582	14.1
Construction	793	7.7	2,979	7.5
Utilities	332	3.2	1,865	4.7
Total goods	3,832	37.0	14,047	35.4
Transportation, communication and storage	1,136	10.9	4,025	10.2
Wholesale and retail trade	1,377	13.3	4,657	11.7
Finance, insurance and real estate	1,327	12.8	4,712	11.9
Community, business and personal services	2,000	19.3	9,360	23.6
Public administration and defence	692	6.7	2,862	7.2
Total services	6,532	63.0	25,616	64.6
Total gross domestic product	10,364	100.0	39,663	100.0

Source: British Columbia Economic Accounts
Note: Experimental data

[1] GDP at factor cost is less than GDP at market prices by the amount of indirect taxes less subsidies

Goods-producing industries contributed 35.4 per cent to the gross domestic product in 1982, down from 37.0 per cent in 1972. The primary (extractive) industries provided 25.8 per cent of the value added in goods production in 1982 and, combined with related resource processing industries, made up 53.6 per cent of value added (*see* Chart 6.1). Forestry, including processing activities, formed the largest component (23.8 per cent) of the value added in goods production, followed by mining (19.2 per cent) and agriculture and fishing (10.6 per cent). Among the non-resource industries, construction activities provided 21.2 per cent of the value added in goods production, with utilities adding 13.3 per cent and other manufacturing activities, such as the production of machinery and textiles, contributing 11.9 per cent.

Chart 6.1 Value Added by Goods-Producing Industries, 1982



Value added by goods-producing industries reached $14 billion, at factor cost, in 1982. Primary industries and related processing contributed 53.6 per cent to this total.

Source: British Columbia Economic Accounts

Community, business and personal services is the largest component of service industry output. In 1982, this sector contributed 36.5 per cent of the value added in service-producing industries, an increase from 30.6 per cent in 1972. This growth reflects the increased amenities and services available to British Columbians and visitors to the province. Finance, insurance and real estate services and wholesale and retail trade were also large contributors to 1982 service sector output, each providing $4.7 billion of service industry value added.

British Columbia's employment patterns reflect the contributions of various sectors to the gross domestic product. Service industries accounted for 72.6 per cent of total provincial employment in 1982, while goods-producing industries provided the remaining 27.4 per cent. Among service-producing industries, the primary employers were community, business and personal services, representing 32.0 per cent of total provincial employment, while trade was the next largest, employing 18.3 per cent. Manufacturing (including resource processing) was the major employer among goods-producing industries, accounting for 13.2 per cent of total provincial employment, while construction and primary industries employed 6.4 and 6.3 per cent, respectively.

Forest Products Industry

British Columbia forests cover about 57 per cent of the provincial land area and support more than eight billion cubic metres of mature timber. As more than 97 per cent of this volume is coniferous (softwood), British Columbia accounts for approximately one-half of the Canadian softwood inventory. Forests of the coastal region contain more hemlock than any other species, while spruce is the principal species of the interior region.

The provincial government owns 94 per cent of the province's forest land. For management purposes, the forest resource is divided into sustained yield units known as timber supply areas (TSAs) and tree farm licences (TFLs). Timber harvesting in these units is delegated to private operators under a variety of licencing agreements. Forest management responsibilities in TSAs are shared between the Ministry of Forests and private operators, while in TFLs they are the responsibility of private operators.

The forest industry is the most important sector of the provincial economy, typically accounting for approximately 45 per cent of the value of shipments from British Columbia manufacturing industries (*see* Appendix Table 6.8) and about 60 per cent of the province's exports.

Table 6.2

Economic Indicators of Activity in the Forest Sector

Indicator	1973	1978	1982	**1983**	Change 1982–1983
			(millions of m^3)		(per cent)
1 Timber scaled	70.1	75.2	56.2	**71.4**	27.1
2 Lumber production	24.6	29.6	23.9	**30.8**	29.0
3 Plywood production	1.9	2.2	1.4	**1.8**	28.6
			(millions of tonnes)		
4 Pulp production	5.3	5.4	4.8	**5.6**	17.1
5 Paper and paperboard production	2.0	2.1	1.9	**2.2**	13.3
Exports of Forest Products to Major Countries			($ millions)		
6 United States	1,403.0	2,994.3	2,241.6	**3,177.0**	41.7
7 Japan	232.1	491.8	803.3	**779.0**	−3.0
8 United Kingdom	205.2	238.9	293.8	**294.3**	0.2
9 Other	451.4	895.6	1,264.9	**1,271.7**	0.5
10 Total	2,291.7	4,620.6	4,603.6	**5,522.0**	19.9
Industry Selling Price Indices (1971 = 100)					
11 Spruce lumber for export	165.4	245.4	165.8	**219.4**	32.3
12 Douglas fir plywood	139.0	228.8	244.2	**255.0**	4.4
13 Bleached sulphate pulp for export	117.4	216.7	344.9	**296.6**	−14.0
14 Newsprint for export	108.4	228.2	356.1	**319.0**	−10.4

Sources

1 Ministry of Forests.
2–5 and 11–14 Statistics Canada.
6–10 Ministry of Industry and Small Business Development, estimated from Statistics Canada data.

Note: Small differences in totals due to rounding.

In 1983, the British Columbia harvest was 71.4 million cubic metres, up 27.1 per cent from 1982 (*see* Table 6.2). It was the first time since 1980 that the provincial harvest exceeded 70 million cubic metres.

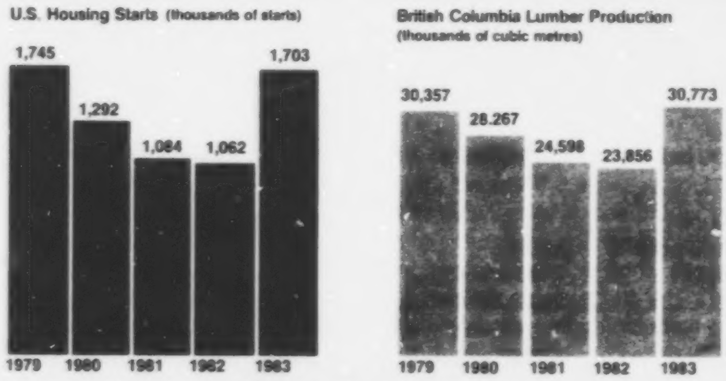
The expansion in the British Columbia forest industry during 1983 was in response to economic recovery in the United States, the major market for British Columbia's forest products. Despite this improvement in the United States market, however, prices for forest products remained relatively low. As a result, the financial performance of the British Columbia forest industry improved only slightly. Five of the eleven publicly-traded British Columbia forest product companies continued to report losses in 1983. These losses were, however, uniformly less than those recorded in the preceding year.

Lumber

Demand increased significantly in the North American lumber market during 1983 as United States housing starts increased by over 60 per cent to 1.7 million units, the highest level since 1979 (*see* Chart 6.2). The increase in lumber demand was accompanied by generally rising prices through the first half of the year, but prices weakened in the latter half of 1983 as the supply response from the major lumber producing regions of North America outstripped the increase in demand.

Lumber production in British Columbia increased by 29.0 per cent in 1983 to a record 30.8 million cubic metres (13.0 billion board feet) surpassing the previous peak of 30.4 million cubic metres (12.9 billion board feet) established in 1979. Lumber shipments to the United States increased by 74.5 per cent in 1983, but shipments to the major offshore markets, Europe and Japan, declined (*see* Appendix Table 1.4). This reflected the effect of the stronger recovery in the United States economy.

Chart 6.2 United States Private Housing Starts and British Columbia Lumber Production



A 60 per cent increase in United States housing starts contributed to a 29 per cent increase in British Columbia lumber production in 1983. Source: Central Statistics Bureau

Plywood

Plywood production increased by 28.6 per cent in 1983 to 1.8 million cubic metres (1.99 billion square feet, 3/8 inch basis). This reflected the increase in domestic construction activity as Canadian housing starts increased by approximately 30 per cent to 163,000 units in 1983. Approximately 80 per cent of British Columbia's plywood production is used within Canada.

Pulp and Paper

Markets for British Columbia's pulp and paper products generally improved as the year progressed with the result that production downtime in 1983 was significantly reduced relative to 1982. Pulp production increased by 17.1 per cent in 1983 to 5.6 million tonnes. Strengthening market conditions contributed to pulp price increases in both Europe and the United States in the first quarter of 1984.

Newsprint production increased by more than 10 per cent in 1983 to 1.3 million tonnes. Plant utilization rates remained relatively low, however, reflecting recent additions to provincial newsprint capacity. The effective price of newsprint in the western United States, the major market for British Columbia producers, was reduced in mid-1983 creating an east/west price differential in that market. This differential reflects the excess newsprint capacity which currently exists on the west coast of North America. For more information pertaining to British Columbia's pulp and paper mills, *see* Map 6.1.

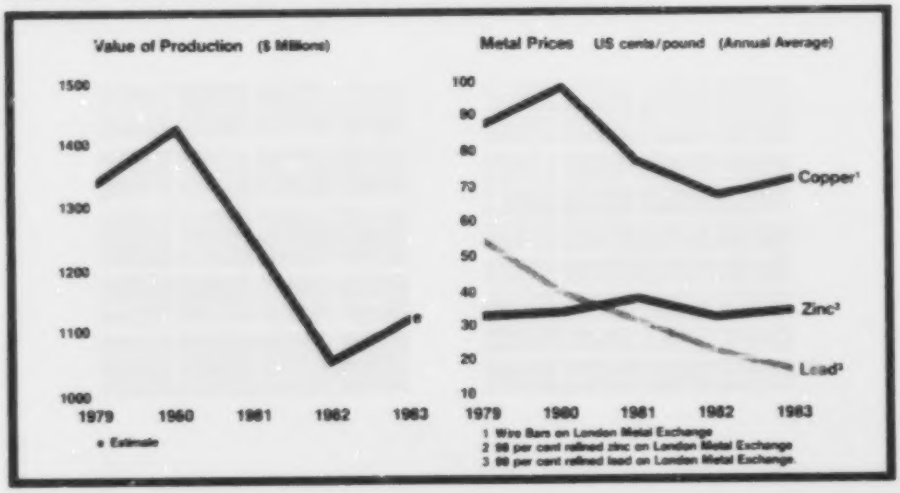
Minerals

The total value of mineral production in 1983 was estimated to be $2.86 billion, up slightly from the 1982 level of $2.80 billion (*see* Appendix Table 6.3). The production value of metallic minerals, industrial minerals and structural materials increased, while the value of coal and natural gas production declined slightly.

Metals

The total value of metals production in 1983 increased by 6 per cent to $1,121.3 million (*see* Chart 6.3). The value of all major metals increased with the exception of iron concentrates and molybdenum. In volume terms, however, production of iron concentrates, molybdenum and silver decreased. Production of copper, the most important metallic mineral, increased 2.1 per cent in volume and 10.8 per cent in value.

Chart 6.3 Value of British Columbia Metallic Mineral Production



Recent Trends in Mineral Production

Overview

Mineral production plays an important role in the British Columbia economy. During 1983, the value of mineral production totalled $2.9 billion, up 2.2 per cent from 1982 but down from the peak year of 1981 when the value of mineral production was in excess of $3 billion.

Despite weakness during the last few years, the value of mineral production has increased at an average annual rate of 12.8 per cent over the last 20 years. Growth, however, has not been steady. The value of mineral production is significantly affected by volatility in international commodity markets and mineral prices and tends to be characterized by pronounced swings in both the value and volume of production. The most rapid overall growth in the value of mineral production occurred during the two international commodity booms of 1973 and 1979. In 1973, fuelled by strong export demand for mineral products, higher commodity prices and a large increase in copper production in British Columbia, the value of mineral production increased by 74.4 per cent from the 1972 level. In 1979, with favourable currency exchange rates, a reduction in world copper stocks and record-high natural gas production levels, the value of mineral production rose by 49.6 per cent from the previous year.

Mineral production can be divided into five different categories. In terms of production value, the most important of these is metallic minerals such as copper, gold and silver which accounted for approximately 39 per cent of the total value of production during 1983. Petroleum and natural gas was second at approximately 31 per cent of the total followed by coal with 20 per cent. Industrial materials, primarily asbestos and sulphur, and structural materials such as cement accounted for 6 per cent and 4 per cent of total respectively in 1983.

Metallic Minerals

One of the most significant trends in the mining industry in British Columbia has been the long-term decline in the relative share of metallic minerals. Although metals consistently dominate mineral production, their share has fallen from 68 per cent of total mineral production value in 1963 to 39 per cent in 1983. Much of this decrease is attributable to increasing competition from lesser developed countries.

The relative importance of various metals has also changed considerably over time. In the province's early mining history, gold mining dominated the industry and remained the principal metal until the turn of the century, at which time lead and zinc became the major metallic minerals. It was not until 1966 that copper became the province's most important metallic mineral, a position which it has since maintained. By 1983, copper contributed approximately one-half of the total value of metallic mineral production in the province.

Petroleum and Natural Gas

The share of petroleum and natural gas in mineral production has increased over the last 20 years from 19 per cent of the total value of production in 1963 to 31 per cent in 1983.

In terms of quantity, crude oil production increased steadily throughout the 1960's, peaking at almost four million cubic metres in 1970, and declining thereafter to stabilize at approximately two million cubic metres per year. However, the value of production has continued to increase as a result of increases in the price of oil.

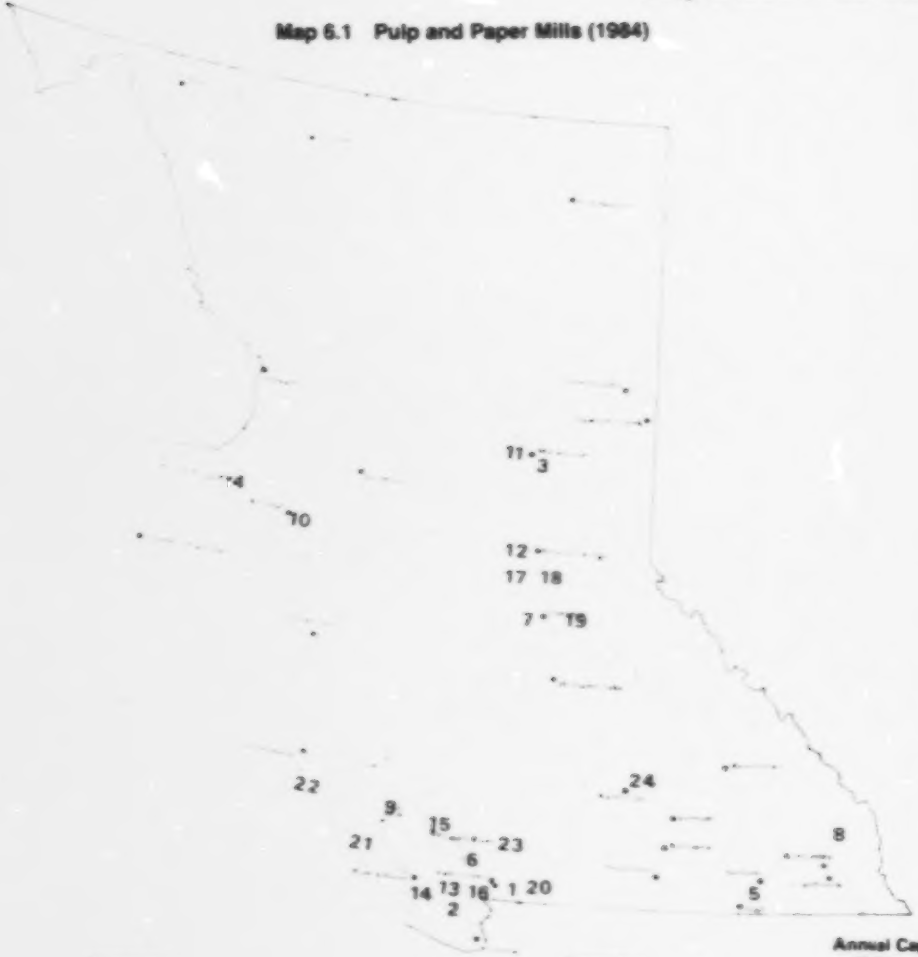
Natural gas production has exhibited a slightly different pattern. Production also climbed steadily throughout the 1960's and into the 1970's, peaking in 1973. Although production declined in the following years, it rose again in 1979 before beginning a steady decline which has not yet been reversed. The recent decline in volume is attributable primarily to weak export markets caused by high export prices, increased natural gas supplies in the United States and competition from alternative fuels. Nonetheless, natural gas remains the province's third most valuable mineral commodity, exceeded only by coal and copper.

Coal

The significant growth in British Columbia coal production has been fairly recent. In the first half of the century, the coal industry showed fluctuations in production but declined significantly after 1950. The decline was primarily the result of the conversion by railways from coal-fired steam engines to diesel, and by the shift of local industries from coal to natural gas for power generation.

In the 1970's, there was a regeneration of coal mining in the province, due to growth in the export market, the construction of the Roberts Bank Superport and the negotiation of long-term contracts for the sale of metallurgical coal to Japan. As a result, production climbed from 772,000 tonnes in 1963 to 11.8 million tonnes in 1983. Coal now accounts for 20 per cent of the value of mineral production in British Columbia, compared to less than 2 per cent in 1963. The province's north east coal mines now ship large quantities of coal to Japan, with long-term contracts providing for the sale of 8.0 million tonnes of coal annually for 15 years. As a result, coal is expected to increase its relative importance in the provincial mining industry.

Map 6.1 Pulp and Paper Mills (1984)



Map ef. No.	Company	Location	Annual Capacity* (000 tonnes) Pulp	Paper
1	Belkin Packaging Ltd.	Burnaby	......	150
2	British Columbia Forest Products Ltd.	Crofton	657	436
3	British Columbia Forest Products Ltd.	Mackenzie	200	......
4	Westar Timber Ltd.	Prince Rupert	369	......
5	Westar Timber Ltd.	Castlegar	176	......
6	Canadian Forest Products Ltd.	Port Mellon	180	......
7	Cariboo Pulp and Paper Ltd.	Quesnel	280	......
8	Crestbrook Forest Industries Ltd.	Skookumchuk	150	......
9	Crown Forest Industries Ltd.	Duncan Bay	770	510
10	Eurocan Pulp and Paper Co. Ltd.	Kitimat	300	300
11	Finlay Forest Industries Ltd.	Mackenzie	178	......
12	Intercontinental Pulp Co. Ltd.	Prince George	219	......
13	MacMillan Bloedel Ltd.	Harmac	340	......
14	MacMillan Bloedel Ltd.	Port Alberni	455	385
15	MacMillan Bloedel Ltd.	Powell River	720	670
16	Island Paper Mills Ltd.	Annacis Island	......	112
17	Northwood Pulp and Timber Ltd.	Prince George	500	......
18	Prince George Pulp and Paper Ltd.	Prince George	255	102
19	Quesnel River Pulp Co. Ltd.	Quesnel	172	......
20	Scott Paper Ltd.	New Westminster	26	90
21	Tahsis Co. Ltd.	Gold River	230	......
22	Western Pulp Ltd.	Port Alice	155	......
23	Western Pulp Ltd.	Squamish	160	......
24	Weyerhaeuser Canada Ltd.	Kamloops	400	......
			6 892	2 755

As at May 1984

North East Coal Development

The integrated north east coal mining and transportation development was officially opened in Tumbler Ridge on June 6, 1984. Construction of the mines and related infrastructure began in early 1981 after the signing of sales agreements between two Canadian companies with coal properties in British Columbia's Peace River Coal Block and the Japanese steel industry. Contracts provide for the sale of 6.7 million tonnes of metallurgical coal and 1.3 million tonnes of thermal coal annually for 15 years with the option of a further five year extension.

In addition to the two large open pit mines which were developed by the mining companies, the federal and provincial governments agreed to participate in the provision of infrastructure. The total private and public sector cost of the development is estimated at $2.7 billion, shared about equally between the private and public sectors. Provincial ministries and agencies (including the British Columbia Railway) and the municipal government account for about one-half of the public sector expenditure.

The townsite at Tumbler Ridge was developed to provide a modern community to house the mine workforces and associated population. The Townsite Development Agreement between the District of Tumbler Ridge and the provincial government established the organization and financial arrangements for the independent, self-governing municipality. The population of Tumbler Ridge had grown to approximately 4,000 by June 1984, and is expected to reach 6,000 by 1986.

The Ministry of Transportation and Highways completed a new paved 94-kilometre highway linking Tumbler Ridge to Chetwynd and undertook upgrading of other roads between Dawson Creek and the Tumbler Ridge area.

British Columbia Hydro constructed a 127-kilometre, 230-kilovolt transmission line from the Gordon Shrum power station to a substation with distribution lines to the town and mines.

In order to move the coal from the minesite to tidewater, the British Columbia Railway completed construction of the electrified Tumbler Ridge Branch line, which required 128 kilometres of track, four tunnels and numerous bridges as well as general upgrading of the existing track from Anzac to Prince George. Canadian National Railways also undertook an extensive upgrading program of its northern mainline from Prince George to Prince Rupert.

The coal terminal and ship loading facilities at Ridley Island in Prince Rupert, were completed and ready to ship coal by mid-December 1983. The Bullmoose and Quintette mines began shipping coal to Prince Rupert via unit train on November 1 and December 1, 1983, respectively. On January 19, 1984, the first shipment of coal left Ridley Island for Japan.

The implementation phase of the various projects was overseen by the North East Coal Development Office, which coordinated the activities of the participants in the project, and made a significant contribution to the successful and timely completion of the project.

The construction phase of the North East Coal Development generated an estimated 13,000 direct and 47,000 indirect person-years of employment in Canada. Direct operating employment of mines and associated infrastructure is expected to reach almost 2,300 jobs by late 1984 and generate an additional 5,300 jobs in Canada as a result of indirect and induced economic activity.

Both the provincial and federal governments are expected to benefit from the North East Coal Development, mainly through tax revenues and royalties. In addition, a system of surcharges, levies and supplements has been designed to recover the provincial investment in the infrastructure. The new transportation links and port facilities will facilitate continued growth and industrial expansion in the northern regions of the province, as well as provide transportation facilities to move bulk commodities such as grain, coal, sulphur, potash and methanol from British Columbia and the prairie provinces to Pacific Rim markets.

Structural Materials

The value of structural materials production in 1983 was $168.6 million, up $4.4 million from 1982. Sand and gravel showed the largest increase in this category, while the value of cement production declined slightly.

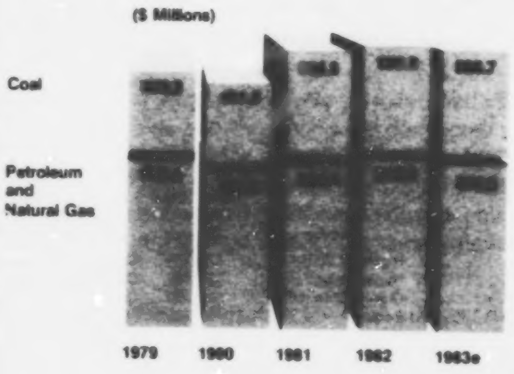
Industrial Minerals

The total value of industrial minerals production in 1983 increased 17.4 per cent to $112.2 million. Asbestos, representing 71.0 per cent of the value of production, accounted for most of the increase.

Coal

Coal production in 1983 was 11.8 million tonnes, approximately 1.2 million tonnes higher than in 1982. However, the average price for coal declined in 1983 to $47.38 per tonne from $53.25 per tonne in 1982. The value of coal production therefore declined from $566.9 million in 1982 to $560.7 million in 1983 (*see* Chart 6.4). Coal shipments from the two north east coal mines — Bullmoose and Quintette — commenced in November and December 1983, respectively (*see* the topic box entitled North East Coal Development).

Chart 6.4 Value of Petroleum, Natural Gas and Coal Production



The total value of coal, natural gas and petroleum production declined 1.5 per cent in 1983.

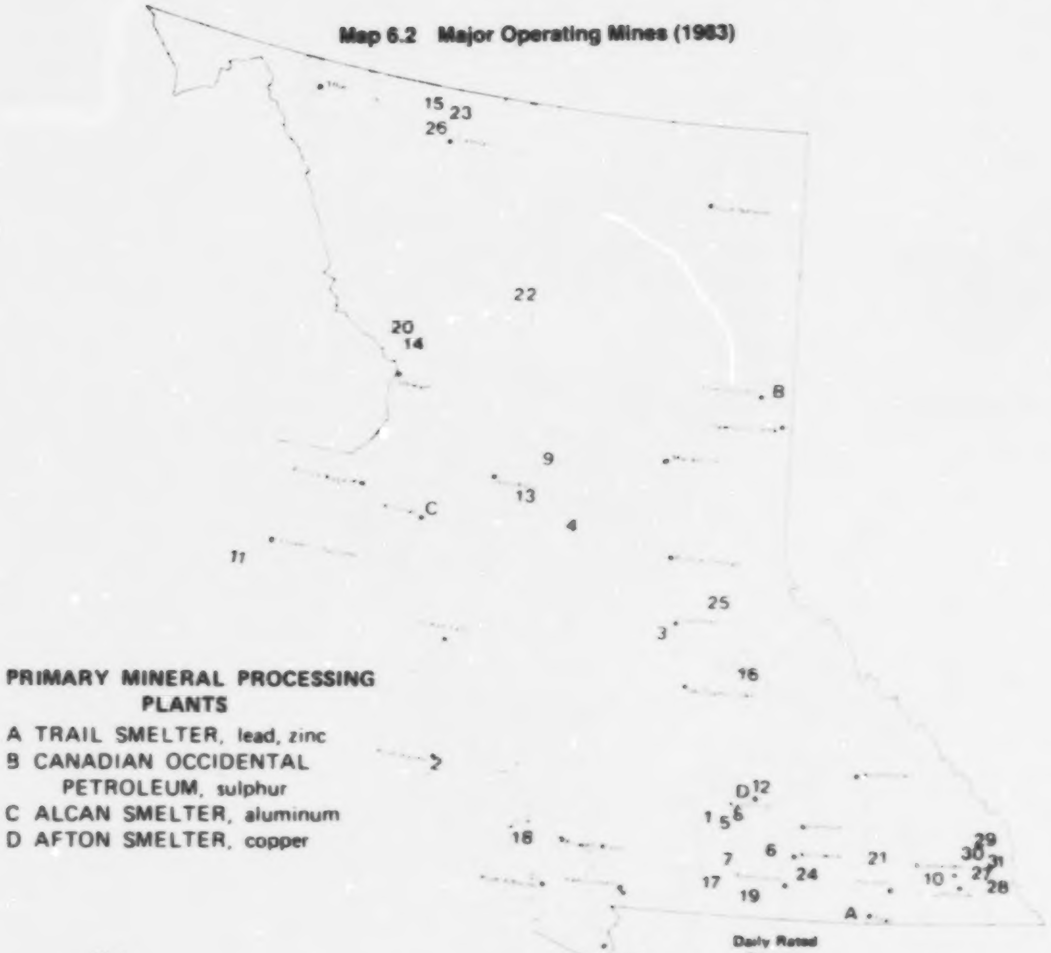
Source: British Columbia Ministry of Energy, Mines and Petroleum Resources

e Estimate

Mineral Exploration

Mineral claim staking increased substantially in 1983 to 106,683 claims, compared to 42,305 in 1982, and surpassing the 71,666 claims recorded in 1981. The location of major operating mines in the province is shown on Map 6.2.

Map 6.2 Major Operating Mines (1983)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A
PRIMARY MINERAL PROCESSING PLANTS
A TRAIL SMELTER, lead, zinc
B CANADIAN OCCIDENTAL PETROLEUM, sulphur
C ALCAN SMELTER, aluminum
D AFTON SMELTER, copper

Map Ref No.	Company	Location	Daily Rated Capacity (tunnes)	Products
1	Lornex Mining Corporation Ltd	Highland Valley	78 000	Copper, molybdenum
2	Utah Mines Ltd (Island Copper)	Rupert Inlet	37 200	Copper, molybdenum
3	Gibraltar Mines Ltd	Granite Mountain	36 300	Copper, molybdenum
4	Placer Development Ltd (Endako Mines Div.)	Endako	30 000	Molybdenum
5	Highmont Operating Corporation	Highland Valley	22 700	Copper, molybdenum
6	Brenda Mines Ltd	Peachland	22 000	Copper, molybdenum
7	Newmont Mines Ltd (Similkameen Div.)	Princeton	20 000	Copper
8	Cominco Ltd (Valley)	Highland Valley	19 000	Copper
9	Noranda Mines Ltd (Babine Div. – Bell Mine)	Babine Lake	17 000	Copper
10	Cominco Ltd (Sullivan)	Kimberley	9 100	Silver, lead, zinc, iron
11	Falconbridge Ltd (Wesfrob Mining Div.)	Tasu	6 500	Iron, copper
12	Afton Mines Ltd	Kamloops	6 350	Copper, gold, silver
13	Equity Silver Mines Ltd (Sam Goosly)	Houston	4 500	Copper, gold, silver
14	Canada Wide Mines Ltd (Granduc)	Stewart	4 000	Copper
15	Brinco Mining Ltd (Cassiar Div.)	Cassiar	3 629	Asbestos
16	Noranda Mines Ltd (Boss Mountain Div.)	Boss Mountain	1 820	Molybdenum
17	Carolin Mines Ltd	Hope	1 500	Gold
18	Westmin Resources Ltd	Buttle Lake	907	Copper, zinc, lead, silver
19	Denkoe Mines Ltd	Keremeos	450	Silver, gold
20	Scottie Gold Mines Ltd	Stewart	181	Gold, silver
21	Dickenson Mines Ltd (Silmonac)	Slocan Lake	125	Silver, lead, zinc
22	DuPont of Canada (Baker Mine)	Black Lake	110	Gold, silver
23	Erickson Gold Mining Corp	Cassiar	110	Gold
24	Teck Corporation (Highland Bell)	Beaverdell	105	Silver, lead, zinc
25	Mosquito Creek Gold Mining Co. Ltd	Wells	100	Gold, silver
26	Taurus Resources Ltd	Cassiar	98	Gold
27	Westar Mining Ltd (Balmer)	Fernie	—	Coal
28	Westar Mining Ltd (Greenhills)	Fernie	—	Coal
29	Fording Coal Ltd	Natal	—	Coal
30	Crows Nest Resources Ltd (Line Creek Mine)	Sparwood	—	Coal
31	Byron Creek Collieries	Corbin	—	Coal

Petroleum and Natural Gas

The total value of petroleum and natural gas production decreased by 1.8 per cent in 1983 to $896.8 million. Although the value of crude oil production increased by 20.5 per cent, this was offset by a 17.3 per cent drop in the value of natural gas production, including a 4.0 per cent volume reduction (*see* Table 6.3).

Table 6.3

Economic Indicators of Activity in Petroleum and Natural Gas

		1981	1982	**1983**	Change 1982-1983
					(per cent)
Oil production	(10^3m^3)	2,036	2,078	**2,079**	—
Natural gas production	(10^6m^3)	8,063	7,188	**6,900**	4.0
Number of wells authorized		174	82	**110**	34.1
Number of wells drilled		211	108	**76**	29.6
Seismic crew-weeks		281	122	**106**	13.1
Provincial reserves —					
Oil	(10^6m^3)	25.5	24.2	**23.5**	2.9
Raw gas	(10^9m^3)	296	298	**292**	2.0
Provincial government revenue[1]	($000)	69,793	49,253	**69,956**	42.0

[1] From fees, rentals and tender bonuses for permits, leases and drilling reservations. The figures for provincial government revenue are on a fiscal year basis (e.g. 1983 represents the 1983-84 fiscal year).

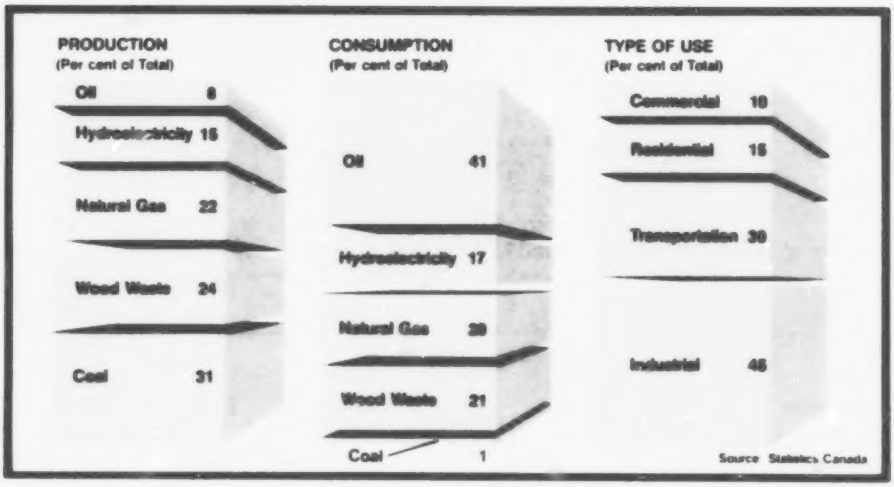
Exploration activity also declined in 1983, falling 30 per cent from 1982 levels. The number of oil wells completed was unchanged at 26, but gas completions declined to only 19, from 41 in 1982. A significant oil discovery was made north east of Fort Nelson during the 1982-83 winter drilling season, and more than 90 exploratory wells have subsequently been drilled. Further exploratory drilling is anticipated in this area during the next winter drilling season.

Early indicators for 1984 suggest renewed activity in the industry. During the first six months of the year, 178 wells were authorized, compared to 31 in the same period for 1983, while other phases of exploration show similar promise. To the end of June 1984, metres drilled totalled 152,349 compared to 76,128 in the first half of the previous year.

Energy

British Columbia has a diverse and abundant energy resource base. Four different energy sources provided in excess of 15 per cent of primary energy production in 1982 (*see* Chart 6.5). British Columbia is self-sufficient in all energy sources except oil, more than three- quarters of which is imported, primarily from Alberta. These oil imports are more than offset by large exports of coal, making British Columbia a net exporter of energy. Natural gas and electricity are also exported.

Chart 6.5 Energy Production and Consumption in 1982



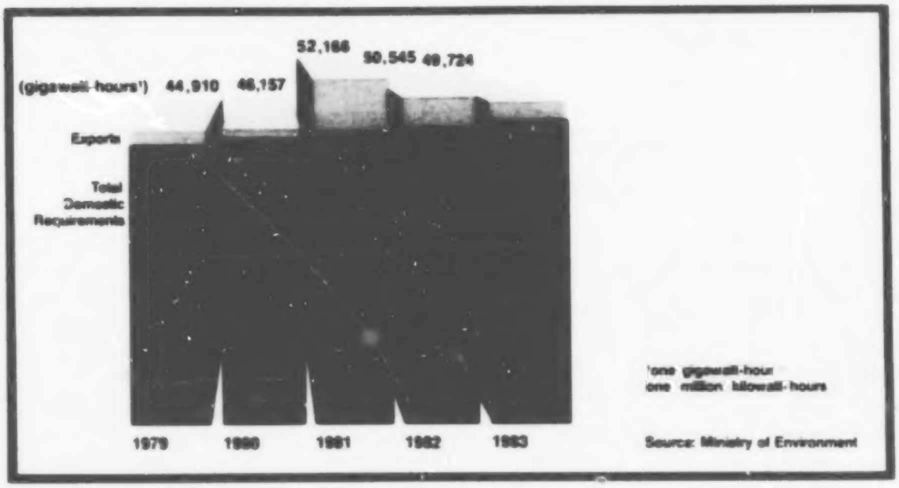
Source Statistics Canada

Electric Generation

As a renewable resource, hydroelectric power is an important energy source, meeting about 17 per cent of the province's energy requirements. At March 1984, total installed capacity of the electric utilities in the province was 9,178 megawatts (*see* Appendix Table 6.6), down only slightly from the previous year. The five largest hydroelectric plants currently operating in the province (*see* Map 6.5) are the Shrum generating station (W.A.C. Bennett Dam), 2,730 megawatts; the Mica powerplant, 1,736 megawatts; the Kemano plant, 813 megawatts; the Peace Canyon plant, 700 megawatts; and the Seven Mile plant, 525 megawatts. The Revelstoke project, consisting of six 461-megawatt units with a generating capacity of 2,765 megawatts, was close to completion at March 31, 1984. Four of the six units are scheduled to be put into service by the British Columbia Hydro and Power Authority during the 1984/85 fiscal year.

In 1983, electric power consumed in the province totalled 44,749 gigawatt-hours, an increase of 1.9 per cent from 1982 (*see* Chart 6.6). The transmission line between the British Columbia and United States power systems made it possible to transfer electricity between the two areas, thus saving energy that might otherwise have been wasted. In addition, sales of surplus power to California occurred during the year. During 1983, receipts of electricity from other Canadian provinces and the U.S. totalled 2,445 gigawatt-hours, while sales to other Canadian provinces and the U.S. totalled 4,975 gigawatt-hours.

Chart 6.6 Electric Power Supply



¹one gigawatt-hour
one million kilowatt-hours

Source: Ministry of Environment

Energy Policy

In 1983, provincial energy policy initiatives continued to promote energy security, in cooperation with other provincial goals for economic development and environmental integrity.

Following the September 1983 release of a report by a provincially-appointed task force chaired by energy consultant Dr. George W. Govier, the provincial government announced changes to the marketing and royalty system for natural gas. The new natural gas marketing and royalty structure is expected to commence in 1985 (*see* the topic box entitled The New Natural Gas Marketing and Royalty System).

Following public hearings on applications to construct a natural gas pipeline from the Mainland to Vancouver Island, the British Columbia Utilities Commission recommended in June 1984 that British Columbia Hydro and Power Authority build the pipeline along a southern route. The government accepted the commission's recommendation and is seeking a funding agreement from the federal government.

In 1983, several new policy decisions in the electricity sector were announced by the government. The major decisions included:

- a temporary reduction in electricity prices for incremental consumption by existing industrial customers;
- the encouragement of private development of remote hydroelectric sites not connected to the British Columbia Hydro and Power Authority grid;

The New Natural Gas Marketing and Royalty System

In order to encourage exploration, development and marketing of British Columbia natural gas, the provincial government is implementing a new natural gas marketing and royalty system. The primary objectives of the new system are:

- to encourage more competitive and aggressive marketing of British Columbia natural gas through reduced government participation in the marketing system;
- to revitalize the natural gas industry and attract greater exploration activity by allowing higher and more predictable returns to natural gas producers;
- to ensure that reasonable natural gas prices to British Columbia consumers are maintained.

Institutional Changes

Marketing arrangements have been made more flexible to allow the industry to take maximum advantage of present and future marketing opportunities. Under the new system, the British Columbia Petroleum Corporation (BCPC) will no longer be the sole purchaser of all natural gas produced in British Columbia, although all of BCPC's existing contractual obligations will be honoured. Producers will be able to sell gas from new uncontracted wells to BCPC, Westcoast Transmission Company Limited or any other buyer. Sales to "eligible buyers", that is, to petrochemical and fertilizer plants, liquified natural gas (LNG) export projects and United States customers, will be made at negotiated prices. Sales prices to domestic utilities will continue to be set by the provincial government.

Financial Changes

The new provincial pricing policy will phase in by 1990 an increase in the average domestic wholesale price of natural gas to 65 per cent of the energy equivalent price of crude oil to refineries in Vancouver. This pricing policy will help to ensure a continuing competitive advantage for natural gas relative to oil in the province.

A new, formula-based royalty system will be applied to all gas produced in the province, commencing in 1985. This will replace the current system under which BCPC collects royalties implicitly by buying natural gas from producers and selling it to distributors at higher prices. As a result of the proposed change, producers will share the risks and rewards resulting from changes in natural gas prices and sales volumes. The new royalty system will levy higher royalties on natural gas that is cheaper to find and produce, and lower royalties on natural gas that is more expensive to find and produce. The new system will also levy lower royalties in the initial production phase of natural gas wells, thereby allowing producers a more rapid payback of development costs. Royalties will then gradually increase as the well matures. Finally, the new royalty system will levy higher percentage royalties as prices received by producers increase.

Higher prices received on exports to the United States will be allocated to all natural gas production, except any production specifically supplying LNG export projects. This "export flowback" will be reduced for gas sold to eligible buyers at a discount price in proportion to the magnitude of the discount. In addition to the price received by producers on domestic natural gas sales, the total producer price on which royalties are to be calculated will include the "export flowback" and any revenue from the sale of natural gas liquids. BCPC will administer the "export flowback" arrangements.

The new royalty system, together with the new wholesale pricing policy, will increase producer returns significantly and will make these returns more predictable. As a result, drilling activity in the province is expected to be encouraged.

- a deferment from 1983/84 to 1990/91 for British Columbia Hydro and Power Authority to meet a specified ratio of net income to interest paid ("interest-coverage" ratio). This action was taken in order to reduce future increases in electricity rates;
- a deferment until at least 1990 of the "Site C" hydroelectric project on the Peace River, after review of a British Columbia Utilities Commission report; and
- the approval in principle of long-term electricity exports from existing generating facilities.

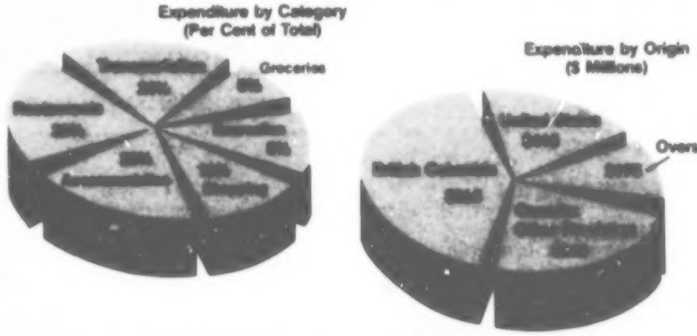
In January 1984, British Columbia Hydro and Power Authority reached an agreement with a California customer under which sales of surplus electrical energy valued at $200 million (U.S.) would be made over a three-year period. In March 1984, approval for the energy removal was given by the provincial government and in July 1984 the National Energy Board approved the sale of firm surplus energy for a four-year period. Negotiations for the transmission of the energy were continuing in August 1984.

Tourism

The tourism industry plays a prominent role in the provincial economy by contributing almost five per cent to the gross domestic product and generating an estimated 86,000 jobs. In 1983, tourists spent an estimated $2.15 billion in British Columbia, up 7.3 per cent from 1982 (*see* Chart 6.7).

Tourist expenditure in British Columbia accrues largely to Vancouver Island and the Lower Mainland, with these two areas receiving 55 per cent of the travel dollars expended in the province. Table 6.4 outlines the distribution of tourist expenditure by region, while Map 6.3 defines the regions.

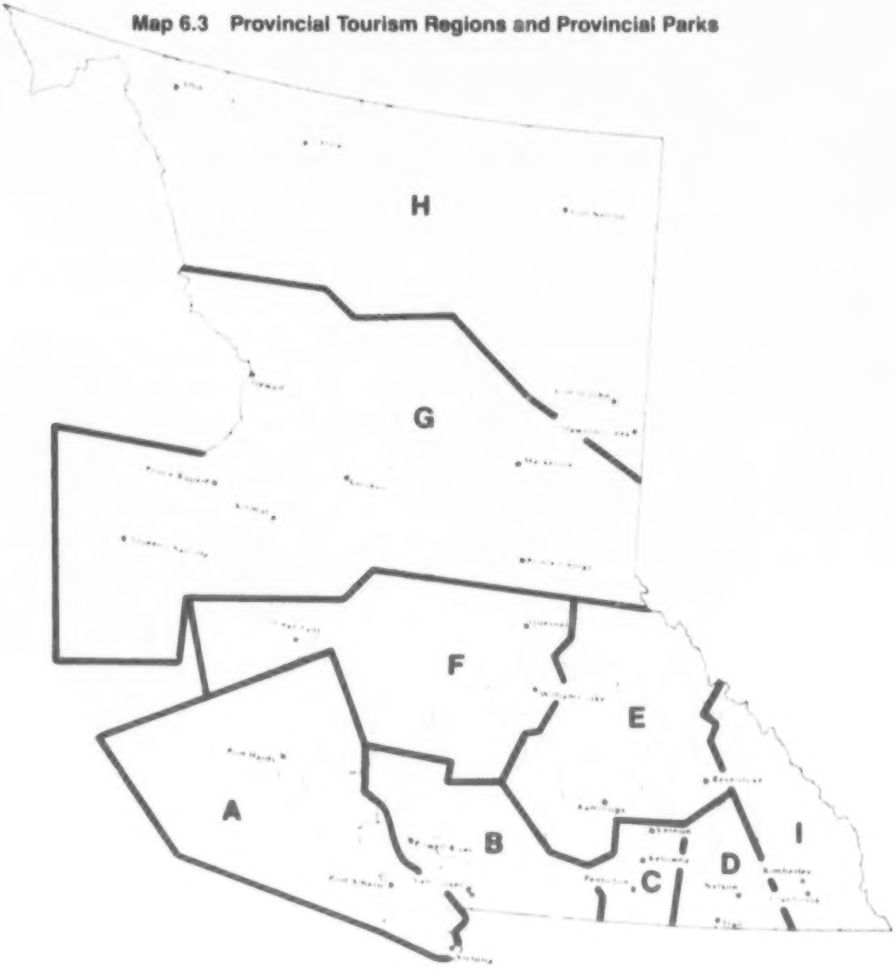
Chart 6.7 Tourism in British Columbia, 1983



Source:
British Columbia
Ministry of Tourism

Expenditure by tourists reached $2.15 billion in 1983, up 7.3 per cent from 1982. Over seventy per cent of tourist revenue was provided by visitors from within the province and other parts of Canada, while United States visitors accounted for the majority of the remainder.

Map 6.3 Provincial Tourism Regions and Provincial Parks



	TOURISM REGIONS	NO. OF PROVINCIAL PARKS
A	VANCOUVER ISLAND	76
B	SOUTHWESTERN B.C.	44
C	OKANAGAN SIMILKAMEEN	31
D	KOOTENAY BOUNDARY	29
E	THOMPSON COUNTRY	26
F	CARIBOO	25
G	B.C. YELLOWHEAD 16	30
H	PEACE RIVER ALASKA HWY	32
I	B.C. ROCKY MOUNTAIN	27
		320

Table 6.4

Regional Market Share of Tourist Expenditure, 1983

	($ millions)	Per Cent of Total
Southwestern B.C. (Lower Mainland)	710	33.0
Vancouver Island	465	21.6
Okanagan Similkameen	255	11.8
Thompson Country	195	9.0
B.C. Yellowhead 16	170	7.9
B.C. Rocky Mountain	130	6.0
Kootenay Boundary	90	4.2
Cariboo	85	3.9
Peace River Alaska Highway	55	2.6
Total	2,155	100.0

Source: British Columbia Ministry of Tourism

Agriculture

British Columbia's agriculture and food industry encompasses farmers, farmworkers, suppliers of farm inputs, processing plants, distributors, retailers and restaurants.

In 1983, weakened demand and relatively low prices in several commodity sectors had an impact on the earnings of British Columbia farmers. Although livestock receipts increased slightly in 1983, declines in the value of oats and barley contributed to an 8.7 per cent decline in crop receipts. Total farm cash receipts declined to an estimated $898.8 million, a drop of 4.9 per cent from 1982 (*see* Table 6.6). The value of inputs purchased by farmers also declined to an estimated $786.5 million, a drop of 3.2 per cent from 1982. Net farm income in 1983, after inventory adjustments, was an estimated $113.8 million.

After transportation, processing, grading, packaging and marketing, these agricultural products had an estimated value of $2.56 billion in 1983, up slightly from their 1982 value.

Table 6.5

Agricultural Commodity Specialization by Region, 1983

Area	Product Specialization	Share of Provincial Production
		(per cent)
Peace River	Grains and oilseeds	88
Okanagan-Kootenay	Tree-fruits	97
South Coastal	Berry crops	72
	Eggs and poultry	90
	Milk and vegetables	78
	Pork	67
Thompson-Cariboo and Central Interior	Beef cattle	59

Table 6.6

British Columbia Farm Cash Receipts

	1978	1982	1983	Change 1982–1983
		($ thousands)		(per cent)
Grains and oilseeds	23,788	41,323	**41,549**	0.5
Horticultural crops	153,977	234,655	**222,735**	−5.1
Cattle and calves	94,675	130,962	**139,451**	6.5
Hogs	17,822	52,067	**46,598**	−10.5
Dairy products	132,945	225,870	**217,159**	−3.9
Poultry and eggs	94,826	136,088	**136,997**	0.7
Other products	64,755	124,227	**94,338**	−24.1
Total	582,788	945,192	**898,827**	−4.9

Table 6.7

Activity Indicators of the Agricultural Industry

		1982	1983	Change 1982–1983
				(per cent)
Number of agricultural holdings	(thousands)	20	**20**	—
Cultivated land area	(thousand hectares)	955	**962**	0.7
Farm cash receipts	($ millions)	945	**899**	−4.9
Food and beverage manufacturing shipments	($ millions)	2.505	**2,558**	2.1

Agriculture and Food Programs

The Ministry of Agriculture and Food administers programs designed to assist both producers and processors of agricultural products. The programs reflect the government's policy of preserving agricultural land and ensuring a stable and adequate food supply.

Farm Income Insurance

The Farm Income Insurance Program, which is jointly funded by producers and government, paid claims of $58.9 million to producers in the 1983/84 fiscal year. Low market prices continued for raspberries, red meats and tree fruits.

Agricultural Credit Program

Provisions under the Agricultural Credit Program include provincial guarantees to banks and credit unions in support of farm loans, reimbursement of a portion of farm loan interest costs and direct loans to a maximum of $25,000 to finance farmland development.

Since 1974, in order to ease financial constraints for farm operators, the provincial government has issued 403 loan guarantees under the Agricultural Credit Program totalling $41.2 million. At March 31, 1984, loans of $11.5 million were outstanding, with a contingent liability to the government of $3.6 million.

From inception in 1974 to March 31, 1984, the Partial Interest Reimbursement Program has paid benefits of $85.7 million to farm operators to reduce the effective interest rate on agricultural loans. Direct loans to farmers of $1.5 million were made in 1983/84 under the Agricultural Land Development Assistance Program. Total outstanding loans at March 31, 1984 amounted to $18.8 million.

Farm Product Industry Improvement Account (1974)

This special account was set up in 1974. Under the *Farm Product Industry Act*, financial assistance in the form of loans, grants and loan guarantees is provided for the development, expansion and modernization of processing facilities for British Columbia agricultural products. At March 31, 1984, loans totalling $1.8 million were outstanding under the act and the provincial government had an additional contingent liability for $3.8 million in loan guarantees.

Crop Insurance Stabilization Account (1967)

The Crop Insurance Stabilization Account provides for the financial stability of various plans set up under the *British Columbia Crop Insurance Act* to insure agricultural producers against crop loss or damage. In 1983/84, expenditure from the account was $526,000.

Agriculture and Rural Development Agreement

During 1983, the five-year federal/provincial Agriculture and Rural Development Subsidiary Agreement, signed in July 1977 (and extended in 1982 to July 31, 1983), provided assistance on a shared-cost basis for such projects as Crown range improvements, major drainage and irrigation systems and research. Under the agreement, $60 million in shared-cost government funding was authorized for projects to be completed by October 31, 1984. At the close of the 1983/84 fiscal year, $49.7 million had been expended for approved projects, while more than $58.5 million had been committed.

Agricultural Research

The ministry also supports agricultural research; $150,000 was allocated in cooperation with the University of British Columbia during 1983/84 and further monies were distributed through the Demonstration of Applied Technology and Economics Program.

Fisheries

Fish landings by the British Columbia fishing industry increased by 15 per cent during 1983 to 151,603 tonnes. However, primarily as a result of a decrease in the average price of salmon, the wholesale value of fish products increased less than one per cent during 1983 to $470.9 million.

The wholesale value of salmon fell by 9.6 per cent in 1983, in spite of a 14 per cent increase in landings, because of a decline in market prices and a higher proportion of low-valued pink salmon. The canned salmon pack comprised about 60 per cent of the total wholesale value of salmon production, compared to 40 per cent in 1982.

Herring landings increased by almost 40 per cent in 1983 to an estimated 39,743 tonnes, while the wholesale value increased by 27.3 per cent. The roe herring fishery accounts for more than 95 per cent of the total wholesale value of herring.

Federal authorities implemented some of the recommendations of the Pearse Commission on Pacific Fisheries Policy in 1983. No action has yet been taken on issues relating to the restructuring and rationalization of the fishing fleet.

Table 6.8

Wholesale Marketed Value of Fish Products

	1973	1978	1982	1983[1]	Change 1982–1983
		($ millions)			(per cent)
Salmon	221.6	304.0	315.3	285.0	−9.6
Herring	34.6	155.0	86.4	110.0	27.3
Halibut[2]	13.0	19.7	7.9	11.2	41.8
Groundfish	7.1	22.3	40.2	45.6	13.4
Shellfish	4.4	12.1	16.7	18.0	7.9
Other	4.3	4.3	0.3	1.0	—
Total	285.0	517.5	466.8	470.9	0.9

[1] Preliminary.
[2] Includes halibut landings at United States ports by British Columbia fishermen.
Note: Small differences in totals due to rounding.
Source: Fisheries Production Statistics of British Columbia, Marine Resources Branch, Ministry of Environment.

Manufacturing

The value of manufacturing gross domestic product (GDP) in British Columbia was $5.6 billion during 1982. The British Columbia manufacturing sector is dominated by the processing and refining of natural resource products. As shown in Table 6.9, in 1982 forest-related industries accounted for 40.6 per cent of the share of GDP provided by manufacturing industries.

Table 6.9

Gross Domestic Product by Manufacturing Industry (at factor cost)

Industry	1982	Share of Manufacturing Total
	($ millions)	(per cent)
Forest-related	2,269	40.6
Metal-related (machinery, fabrication and transportation equipment)	823	14.7
Mining-related (including smelting and refining)	832	14.9
Agriculture-related	634	11.4
Fishing-related	176	3.2
Other	848	15.2
Total	5,582	100.0

Note: Small differences in totals due to rounding.
Source: British Columbia Economic Accounts.

Following a decline in 1982, the value of manufacturing shipments increased by 9.3 per cent in 1983, to $16.8 billion, as shown in Table 6.10. The largest increases were recorded by the wood products (35.6 per cent), primary metals (13.5 per cent) and chemical sectors (13.2 per cent). By contrast, manufacturing shipments of transportation equipment and electrical products fell by 18.2 per cent and 12.4 per cent, respectively. Details of the value of manufacturing shipments are provided in Appendix Table 6.8.

Table 6.10

Activity Indicators in Manufacturing

	1978	1979	1980	1981	1982	1983	Change 1981–1982	Change 1982–1983
			($ millions)				(per cent)	
Salaries and wages	2,776	3,163	3,556	3,881	3,807[1]	**4,000[1]**	−1.9	5.1
Cost of materials used	6,539	8,137	9,032	9,827	9,074[1]	**N/A**	−7.7	N/A
Value added by manufacture	5,432	6,331	6,567	6,638	5,918[1]	**N/A**	−10.8	N/A
Shipment value	12,223	14,628	15,896	16,810	15,377	**16,812[2]**	−8.5	9.3

[1] Estimated by Central Statistics Bureau, Ministry of Industry and Small Business Development

[2] Preliminary.

Source: Statistics Canada, Census of Manufacturers.

Trade and Industrial Development

The Ministry of Industry and Small Business Development is responsible for promoting trade and industrial development in the province. The ministry's main programs are administered by the Small Business and Regional Industrial Development Division and the Trade and Industry Division. The Economics and Statistics Division supports these and other government programs and activities.

Small Business and Regional Industrial Development

The Small Business and Regional Industrial Development Division implements and coordinates intergovernmental and joint government-industry programs and projects. The division is also responsible for provincial liaison with federal departments on matters of economic and industrial development and for evaluating applications to the federal Foreign Investment Review Agency. In addition, the division provides counselling and advisory services to the small business community.

Small Business Services

Small Business Services provide counselling to entrepreneurs in order to improve their business skills and thereby strengthen and stabilize the small business sector of the provincial economy. During 1983, the Small Business Services Branch, with the 74 Business Information Centres operating throughout the province, responded to more than 65,000 requests for business information and counselling. The branch also sponsored a series of business survival seminars. The branch provides firms with financial assistance to hire consultants for marketing and feasibility studies and also helps associations by making available financial support to help provide business management learning opportunities to their members.

Small Business Programs

The Small Business and Regional Industrial Development Division continues to administer the Small Manufacturers Development Assistance (SMDA) Program. This program replaced the federal-provincial Assistance to Small Enterprise Program (ASEP) which ended in March 1983. Under SMDA, funding was made available to small businesses involved in manufacturing, processing and high technology by way of interest-free forgivable loans of up to $30,000 for capital expenditures. The SMDA program approved $4.2 million for 231 projects creating more than 1,200 new jobs. Loan commitments ceased in July 1983 when the program was converted to focus assistance toward high technology firms through the Discovery Enterprise Program.

LILA Program

The ministry and the British Columbia Development Corporation are responsible for the financing of the corporation's activities under the Low Interest Loan Assistance Program (LILA) and the Low Interest Funding Today (LIFT) programs. The LILA program provides low interest loans of up to $200,000 for eligible manufacturers and processors. The LIFT program made loans totalling $23 million in the 1983 84 fiscal year to manufacturing, processing and high technology businesses.

General Development Agreement

The ten-year Canada British Columbia General Development Agreement (GDA) ended March 31, 1984. The agreement provided for joint cooperation and funding of projects undertaken under special purpose subsidiary agreements. The GDA was designed to promote assistance to areas which required special initiatives to realize their development potential. Two major subsidiary agreements implemented under the GDA were the $70 million Industrial Development (IDSA) and the $50 million Travel Industry Development (TIDSA) Subsidiary Agreements.

Industrial Development Programs

The $70 million provided under the IDSA program was committed to a variety of initiatives including the provision of serviced industrial land, industrial malls and other industrial development projects. In March 1982, provision was made for a $50 million revolving fund to assist in the ongoing development of industrial infrastructure projects.

Travel Industry Development

Since the inception of TIDSA in October 1978, the $50 million allocated to this program has been committed to approximately 200 projects, assisting in the creation of an estimated 9,500 jobs. Of this total, almost $23 million has been directed toward the development of regional and world-class ski resorts.

Trade and Industry Division

The Trade and Industry Division pursues four major objectives: to expand and diversify the existing industrial and commercial base in the province; to increase the production and export of British Columbia goods and services; to encourage new investment in the province and to develop trade policy and promotion strategies for British Columbia.

The results of the division's activities are listed in Table 6.11. These activities resulted in approximately $8.5 million in direct sales, more than $120 million in projected sales and $275 million in new business investment which created in excess of 3,600 new jobs for British Columbia residents.

Table 6.11

Activities of the Trade and Industry Division, 1983

Activity	Number
Trade missions	46
British Columbia companies assisted in overseas market development	163
Incoming buyers	23
Companies given assistance to participate in trade shows	63
Companies which received technical assistance	22

In 1983 84, the division undertook an aggressive program to assist the province's existing manufacturers to develop their full potential and to identify export market opportunities for British Columbia goods and services. The ministry sponsored trade show participation in Toronto (hotel restaurant products and equipment), the United States (food, fish and secondary wood products) and the United Kingdom (cable and satellite television).

During the year, the division supported immigration business proposals offering new investment of $60 million which was expected to create an estimated 1,600 new jobs. A series of investment opportunities was identified and presented at several seminars held in United States cities as well as in Holland, Belgium and France. In addition, staff operating from British Columbia House in the United Kingdom represented the province at the world's largest industrial fair in Hanover, West Germany.

Science and Technology

The Science and Technology Division of the Ministry of Universities, Science and Communications funds scientific research and technological development projects by coordinating research activities of government and by assisting individuals and organizations interested in scientific research and development activities.

Science Council of British Columbia

The Science Council of British Columbia advises the government on research and development priorities and, supported by the Secretariat on Science, Research and Development, provides funding for research. In 1983 84, the Science Council provided $3.3 million for applied research and development awards, $0.5 million for Graduate Research Engineering and Technology (GREAT) Awards and $0.2 million for Industrial Post-Doctoral Fellowships and other projects.

Discovery Foundation

The Discovery Foundation, a non-profit society, and its wholly-owned subsidiary, Discovery Parks Incorporated, were established to advance scientific, technological and industrial research in British Columbia, partly through the establishment of industrial research parks. These parks provide an opportunity for the industrial sector to work with the academic community in the development of advanced and high technology industry. 'Discovery Parks' currently operate adjacent to the British Columbia Institute of Technology and at Simon Fraser University. Further Discovery Park activities are planned at the University of British Columbia and the University of Victoria. The Discovery Foundation also administers the Discovery Enterprise Program designed to provide risk capital for the early stages of commercialization of advanced technology products and processes. In addition, the British Columbia Innovation Office has been established through joint funding from the Science Council of British Columbia, the Discovery Foundation and the Ministry of Universities, Science and Communications to provide advice and assistance to small and medium sized firms and academics interested in the commercial development of innovations.

British Columbia Research Council

The British Columbia Research Council, a non-profit organization, undertakes both contract and government-funded research and provides assistance to the industrial sector. For 1983, contract funding was provided by the government of British Columbia (34.2 per cent), other governments (30.7 per cent) and industry (35.1 per cent). Core research funding provided by the provincial government is directed to research programs of provincial priority.

Communications

At March 31, 1983, there were 63 originating AM stations, 18 originating FM stations and 12 originating television stations, plus two pay-television networks in British Columbia. In addition, there were 539 rebroadcasting stations in British Columbia comprising 103 AM, 95 FM and 324 television, plus 17 Cancom subscriber television stations (STVs). Through 90 cable systems, local cable television is available to over 95 per cent of the residents of the province. Recent developments in the field of satellites and satellite receiving dishes have allowed many communities in remote areas of the province to receive television signals via satellite.

The Ministry of Universities, Science and Communications has encouraged the installation of earth terminals in remote communities by instituting a program which provides grants for part of the capital cost of satellite receiving dishes and television transmitters. During the three-year life of the program approximately 50 terminals have been installed with the assistance of government grants.

Telecommunications

This high-technology industry currently provides 3,000 manufacturing jobs in the province. Total sales exceeded $170 million in 1983, of which $90 million was for shipments out of the province. The Communications Development Branch of the Ministry of Universities, Science and Communications has the function of promoting the development of the telecommunications industry in British Columbia.

Telephone Systems

In 1982, the most recent year for which data are available, there were 1,375,457 residence telephones and 606,765 business telephones in operation in British Columbia. Telephone service was provided to 96.3 per cent of residential households in British Columbia in 1982. Telephone service is regulated by the federal Canadian Radio-television and Telecommunications Commission.

Transportation

The Ministry of Transportation and Highways administers 43,843 kilometres of provincial roads and rights-of-way, of which 18,919 kilometres are paved and 24,924 kilometres are gravelled. There are 2,358 kilometres of provincial arterial highways in municipalities. Provincial highway construction for the year ended March 31, 1984 is summarized in Table 6.12.

Table 6.12

Provincial Highway Construction

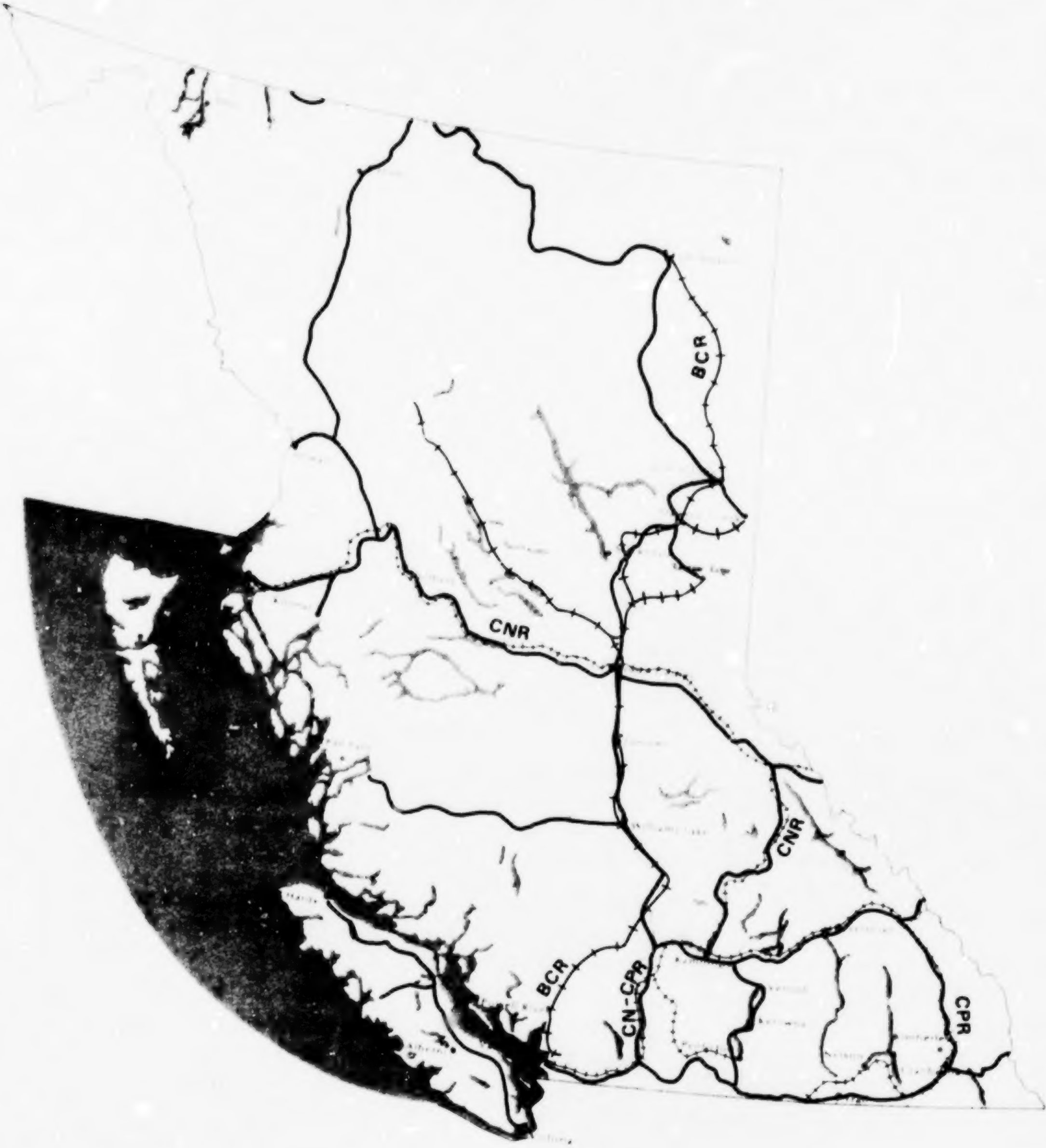
Fiscal Year Ended March 31,	1983	**1984**	Change 1983–1984
Construction			
By contract	(kilometres)		(per cent)
four-lane	57	**5**	-91.2
two-lane	99	**156**	57.6
By day-labour			
four-lane	13	**—**	—
two-lane	141	**52**	-63.1
Total	310	**213**	-31.3
Paving			
New	534	**1,173**	119.7
Sealcoat (maintenance)	464	**570**	22.8
	(number)		
Bridges and major highway structures	14	**37**	164.3
Highway-bridge expenditure	($ millions)		
Capital	249	**441**	77.1
Maintenance	225	**221**	-1.8
Total	474	**662**	39.7

Railways

There are approximately 7,500 kilometres of main line track operated in the province by the British Columbia Railway, Canadian Pacific Railway, Canadian National Railway and other railways.

VIA Rail provides rail passenger services on the Canadian National Railway Northline, Prince Rupert to Edmonton; on the Canadian Pacific Railway Transcontinental line, Vancouver to Calgary and on the E & N Railway line, Victoria to Courtenay.

The British Columbia Hydro and Power Authority operates a rail freight service in the Lower Mainland and the Fraser Valley, while the Burlington Northern Railway runs between the Lower Mainland and Seattle. The Canadian Pacific Railway and the Canadian National Railway operate railcar barge connections to Vancouver Island, and the Canadian National Railway operates the Aqua-train service between Prince Rupert and Whittier, Alaska.



Map 6.4 Provincial Transportation Network

BCR
CNR
CNR
BCR
CN-CPR
CPR
Arterial Highways
Railways
Ferry Routes (Main)

The Canadian National Railway spent approximately $189 million in British Columbia during 1983 for railway maintenance and planned expansion, an increase of 84 per cent over 1982. Of the total, approximately $136 million was invested in plant expansion, including $88 million for double-tracking and upgrading of the Northline to Prince Rupert. The double-tracking was undertaken to accommodate projected coal and grain traffic. The remaining $53 million was spent on routine maintenance.

The Canadian Pacific Railway invested approximately $80 million in 1983 on track renewal, upgrading and maintenance, a decrease of 17 per cent from 1982. Of this total, approximately $15 million was spent on new rail, $20 million on double-tracking in preparation for the Rogers Pass tunnel project, and $45 million for installation of crushed ballast and cross ties, maintenance of bridges and culverts, installation of "hot box" detectors and miscellaneous projects.

For information pertaining to the British Columbia Railway, *see* Chapter 4: Crown Corporations and Enterprises.

Deep Sea Shipping

The port of Vancouver is British Columbia's major seaport, while additional ports are located at Campbell River, Victoria, Nanaimo, New Westminster, Port Alberni, Powell River and Prince Rupert. These ports have deep-sea facilities and are open year round.

Vessels arriving at British Columbia ports from international locations numbered 8,151 in 1982 while 8,121 vessels departed for international destinations. Approximately 3.9 million tonnes of cargo were unloaded and 51.1 million tonnes of cargo were loaded for foreign destinations.

Coal and coke remained the leading tonnage export commodity for Vancouver in 1983. Coal exports, including shipments from Roberts Bank, were 15.7 million tonnes. Grain exports accounted for approximately 10.9 million tonnes, while lumber and pulp shipments reached 2.0 million and 0.9 million tonnes, respectively. Container traffic increased 16 per cent from 1982 to 1.2 million tonnes.

A federal provincial agreement signed in August 1980 provides for a major expansion of the Roberts Bank Superport. The existing facility has a capacity of more than 10 million tonnes of coal per year, which is to be increased in stages to 40 million tonnes per year through the doubling in size of existing terminals and through the addition of two new ones. The first of the new terminals is now operational.

The Ridley Island coal terminal was completed in December 1983 at a cost of $300 million and the first shipment of coal was loaded in January 1984. Development of a $275 million grain terminal is underway at Prince Rupert and is expected to be operational by December 1984.

Coastal Shipping

Many coastal communities in British Columbia are dependent on shipping for the transportation of cargo and passengers. Tug and barge services connect major centres with a number of small communities on Vancouver Island, the Gulf Islands, the mainland coast and the Queen Charlotte Islands. Small coastal vessels provide a mix of passenger and package freight services. British Columbia Ferry Corporation provides drive-on/drive-off freight and passenger service on its major routes. British Columbia ports handled an estimated 47 million tonnes of domestic shipping in 1982, down 10 per cent from 1981. Loadings and unloadings each totalled 23.4 million tonnes, down 10.1 per cent and 9.9 per cent respectively from 1981.

Ferry Service

The Ministry of Transportation and Highways provides ferry service on 11 saltwater and 19 freshwater routes (comprising lake and river crossings). For the year ended March 31, 1984, these ferries carried 8.6 million passengers and 3.9 million vehicles, with the saltwater routes accounting for 3.2 million of the passengers and 1.3 million of the vehicles. For information pertaining to British Columbia Ferry Corporation and British Columbia Steamship Company (1975) Limited, *see* Chapter 4: Crown Corporations and Enterprises.

Air Transport

There are approximately 110 licenced air carriers based in British Columbia, providing scheduled and charter services to domestic and foreign destinations. Licenced bases in the province include more than 200 land-based airports, 63 water-based facilities and 23 heliports. Activity at the province's largest airport, the Vancouver International Airport, is detailed in Table 6.13.

Table 6.13

Activity at Vancouver International Airport

Totals In/Out		1981	1982	**1983**	Change 1982–1983
					(per cent)
Passengers	(thousands)	7,098	6,557	**6,503**	−0.8
Airmail	(tonnes)	16,375	18,412	**20,741**	12.6
Air cargo	(tonnes)	58,573	64,716	**85,287**	31.8
Aircraft movements	(thousands)	288	245	**246**	0.4

Based on Transport Canada estimates.

The provincial Air Transport Assistance Program was established in 1977 to assist the development of community airports and regional air services in British Columbia. To March 31, 1984, provincial grants totalling $17.6 million had been allocated.

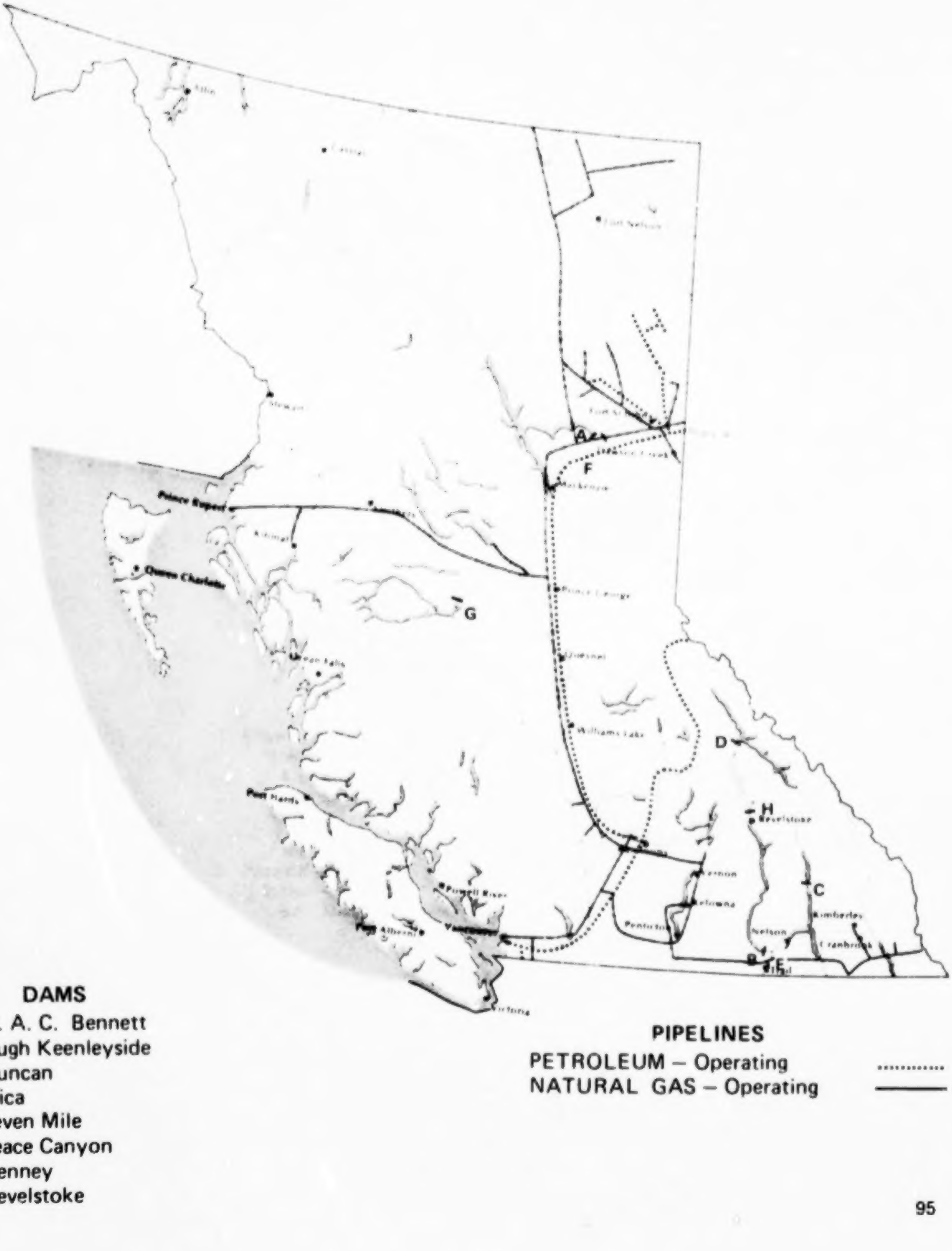
Motor Transport

During the 1983 licence year, approximately 1.2 million passenger vehicles and 448,000 commercial vehicles were licenced in the province, up 2.6 per cent and 2.7 per cent, respectively, from the previous licence year.

Pipelines

In British Columbia there are approximately 2,100 kilometres of crude oil trunk and gathering lines, 5,300 kilometres of natural gas transmission lines and 12,100 kilometres of natural gas gathering and distribution lines (*see* Map 6.5).

Map 6.5 Provincial Pipeline Network and Major Hydroelectric Dams


Atlin
Fort Nelson
Stewart
Fort St. John
A
F
Mackenzie
Prince Rupert
Kitimat
Queen Charlotte
Prince George
G
Quesnel
Ocean Falls
Williams Lake
D
H
Revelstoke
Port Hardy
Vernon
C
Kelowna
Powell River
Kimberley
Penticton
Port Alberni
Vancouver
Nelson
Cranbrook
B
E
Trail
Victoria

DAMS

A	W. A. C. Bennett
B	Hugh Keenleyside
C	Duncan
D	Mica
E	Seven Mile
F	Peace Canyon
G	Kenney
H	Revelstoke

PIPELINES

PETROLEUM – Operating	....
NATURAL GAS – Operating	———

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Table 1.1

Summary Table of Economic Activity for British Columbia

	Units	1980	1981	1982	1983[1]	Change 1982–1983
Annual aggregate indicators						(per cent)
Population	thousands	2,666.0	2,744.2	2,791.1	2,826.0	1.3
Gross domestic product (at market prices)	$ millions	37,318	43,145	44,709	47,876	7.1
Personal income	$ millions	30,145	35,218	38,534	40,520	5.2
Capital investment	$ millions	9,519	11,885	10,102	9,287	-8.1
Business incorporations	number	21,380	23,368	11,432	13,787	20.6
Labour statistics						
Labour force	thousands	1,301	1,361	1,370	1,389	1.4
Employment	thousands	1,213	1,270	1,204	1,197	-0.6
Unemployment rate	per cent	6.8	6.7	12.1	13.8	N/A
Prices and earnings						
Consumer price index (Vancouver)	1981 = 100	87.5	100.0	110.5	116.6	5.5
Average weekly earnings	$	363.50	407.03	445.43	476.85	7.1
Wages and salaries	$ millions	19,085	21,780	22,732	23,293	2.5
Other indicators						
Manufacturing shipments	$ millions	15,896	16,810	15,377	16,812	9.3
Retail sales	$ millions	10,572	12,000	11,766	12,257	4.2
Housing starts	thousands	37.5	41.6	19.8	22.6	14.1
Non-residential building permits	$ millions	1,207	1,335	1,026	775	-24.5
U.S. housing starts	thousands	1.292	1,084	1,062	1,703	60.4
Tourism revenue	$ millions	1,800	2,020	2,009	2,155	7.3
Commodity data						
Lumber production	thousand m^3	28,267	24,598	23,856	30,773	29.0
Pulp production	thousand tonnes	5,686	4,817	4,759	5,572	17.1
Newsprint, other paper and paperboard	thousand tonnes	2,176	1,870	1,905	2,158	13.3
Coal production	thousand tonnes	10,824	11,753	10,646	11,836	11.2
Farm cash receipts	$ millions	750	877	945	899	-4.9
Petroleum and natural gas production	$ millions	828	885	913	897	-1.8
Landed value of fish products	$ millions	181	232	234	146	-37.6

[1] Includes some estimates.

Table 1.2

Capital and Repair Investment

	1982[1]	1983[2]	1984[3]	Change 1982–1983	Change 1983–1984
Capital		($ millions)		(per cent)	
Utilities	2,874.3	2,735.9	2,149.7	−4.8	−21.4
Housing	2,034.4	1,995.7	2,177.1	−1.9	9.1
Primary industries and construction industry	1,641.7	1,587.6	1,138.5	−3.3	−28.3
Institutions and government departments	1,243.6	1,317.9	1,273.1	5.6	−3.4
Manufacturing	1,095.2	496.1	633.2	−54.7	27.6
Trade, finance and commercial	1,208.1	1,154.1	1,376.9	−4.5	19.3
Total	10,102.3	9,287.3	8,748.5	−8.1	−5.8
Repair					
Utilities	689.8	711.2	807.9	3.1	13.6
Housing	384.1	428.7	460.8	11.6	7.5
Primary industries and construction industry	721.7	747.6	811.7	3.6	8.6
Institutions and government departments	326.5	276.9	254.7	−15.2	−8.0
Manufacturing	641.3	693.0	693.9	8.1	0.1
Trade, finance and commercial	181.2	195.5	211.5	7.9	8.2
Total	2,944.6	3,052.9	3,240.5	3.7	6.1
Total, Capital and Repair					
Utilities	3,564.1	3,447.1	2,957.6	−3.3	−14.2
Housing	2,418.5	2,424.4	2,637.9	0.2	8.8
Primary industries and construction industry	2,363.4	2,335.2	1,950.2	−1.2	−16.5
Institutions and government departments	1,575.1	1,594.8	1,527.8	1.3	−4.2
Manufacturing	1,736.5	1,189.1	1,327.1	−31.5	11.6
Trade, finance and commercial	1,389.3	1,349.6	1,588.4	−2.9	17.7
Total	13,046.9	12,340.2	11,989.0	−5.4	−2.8

[1] Actual.
[2] Preliminary actual.
[3] Intentions.
Source: Statistics Canada Catalogue 61-205

Table 1.3

Foreign Exports of Major British Columbia Products[1]

	1973	1982	1983	Change 1982–1983
		($ millions)		(per cent)
Lumber	1,279.7	1,846.2	2,631.8	42.6
Pulp	563.9	1,520.0	1,427.2	−6.1
Coal	99.9	760.7	821.8	8.0
Newsprint	198.9	566.5	577.5	1.9
Fish products	186.3	365.0	361.1	−1.1
Natural gas	91.8	512.9	446.1	−13.0
Aluminum ingots	106.1	332.1	306.8	−7.6
Copper ore and ingots	438.4	296.6	370.8	25.0
Cedar shingles and shakes	73.9	144.3	216.6	50.1
Molybdenum concentrates	46.3	185.0	96.6	−47.8
Zinc ore and ingots	87.5	229.8	189.1	−17.7
Plywood (softwood)	61.4	103.9	120.5	16.0
Paper (except newsprint)	42.4	99.1	105.1	6.1
Lead ores and ingots	35.1	54.8	42.0	−23.4
Trucks	28.2	47.4	50.8	7.2
Paperboard	30.9	57.7	71.9	24.6
Chemical fertilizers	35.2	47.0	57.6	22.6
Electricity	15.4	155.6	87.3	−43.9
Logs, poles and pulpwood	10.4	93.8	149.8	59.7
Pulpwood chips	11.0	89.4	78.7	−12.0
Asbestos	23.5	84.7	79.6	−6.0
Apples	9.5	35.6	38.5	8.1
Prefabricated buildings and parts	2.8	13.1	6.8	−48.1
Alcoholic beverages	13.9	16.0	11.1	−30.6
All other products	328.5	1,219.7	1,579.9	29.5
Total	3,820.9	8,876.9	9,925.0	11.8

---

[1] Estimated through all Canadian customs ports

Table 1.4

Exports of British Columbia Products to the United States, Japan, United Kingdom and Other European Common Market Countries

	United States				Japan			
	1973	1982	1983	Change 1982–1983	1973	1982	1983	Change 1982–1983
	($ millions)			(per cent)	($ millions)			(per cent)
Lumber	923.2	1,058.8	1,847.5	74.5	116.6	384.5	341.7	-11.1
Shakes and shingles	70.8	140.4	211.6	50.7	0.1	0.1	0.1	—
Wood pulp	214.7	403.6	375.7	-6.9	95.9	290.3	274.4	-5.5
Newsprint	156.9	457.2	482.9	5.6	3.3	2.3	3.7	60.9
Other paper and paperboard	4.9	23.4	34.2	46.2	8.9	32.3	36.1	11.8
Aluminum ingots	49.3	40.5	61.5	51.9	40.6	148.3	120.4	-18.8
Zinc ingots	48.5	108.6	97.0	-10.7	—	—	0.7	—
Lead ingots	13.8	23.3	15.0	-35.6	0.2	0.7	1.7	142.9
Copper concentrates	12.7	19.9	16.8	-15.6	424.5	230.8	266.3	15.4
Molybdenum concentrates	4.5	29.6	3.5	-88.2	11.7	50.2	14.8	-70.5
Natural gas	91.8	512.9	446.1	-13.0	—	—	—	—
Coal	—	2.9	7.5	158.6	99.9	564.6	560.5	-0.7
Fish products	33.9	49.3	55.0	11.6	56.1	159.7	135.7	-15.0
Iron ore and concentrates	0.4	—	0.2	—	12.2	12.4	10.8	-12.9
Other	384.0	1,122.0	1,306.1	16.4	54.5	255.4	446.7	74.9
Total	2,009.4	3,992.4	4,960.6	24.3	924.5	2,131.6	2,213.6	3.8

	United Kingdom				Other European Common Market Countries			
	1973	1982	1983	Change 1982–1983	1973	1982	1983	Change 1982–1983
	($ millions)			(per cent)	($ millions)			(per cent)
Lumber	89.5	135.0	140.1	3.8	36.0	110.7	98.5	-11.0
Plywood	41.9	44.4	57.9	30.4	18.5	47.5	47.3	-0.4
Wood pulp	44.3	77.3	56.6	-26.8	151.9	518.4	435.1	-16.1
Paper and paperboard[1]	28.7	33.9	36.8	8.6	18.5	33.2	37.7	13.6
Copper concentrates and ingots	—	5.1	1.2	-76.5	2.9	12.6	1.6	-87.3
Aluminum ingots	0.1	—	—	—	1.2	—	—	—
Zinc ingots	21.5	33.5	20.1	-40.0	0.7	11.6	5.8	-50.0
Lead ingots	17.6	21.0	12.3	-41.4	2.2	1.7	2.8	64.7
Molybdenum concentrates	7.6	12.9	22.5	74.4	19.2	76.6	49.5	-35.4
Asbestos fibres	3.6	8.4	7.9	-6.0	4.6	17.5	25.0	42.9
Canned salmon	41.1	38.3	63.3	65.3	9.5	10.5	8.9	-15.2
Apples	0.7	6.1	3.8	-37.7	0.1	0.7	0.4	-42.9
Other	29.2	30.2	29.0	-4.0	31.3	135.0	157.8	16.9
Total	325.8	446.1	451.5	1.2	296.6	976.0	870.4	-10.8

[1] Includes newsprint.

Table 1.5

Exports of Forest and Mineral Products to Major Countries

	Forest Products				Minerals[1]			
	1973	1982	1983	Change 1982–1983	1973	1982	1983	Change 1982–1983
		($ millions)		(per cent)		($ millions)		(per cent)
United States	1,403.0	2,241.6	3,177.0	41.7	271.7	984.2	986.5	0.2
Japan	232.1	803.3	779.0	−3.0	604.5	1,070.7	1,102.8	3.0
United Kingdom	205.2	293.8	294.3	0.2	52.9	84.5	67.2	−20.5
Other European Common Market countries	226.4	713.4	622.5	−12.7	29.9	153.3	132.2	−13.8
Australia	60.7	114.2	94.3	−17.4	4.3	16.5	9.2	−44.2
People's Republic of China	1.1	98.8	148.2	50.0	7.0	73.4	77.1	5.0
Other countries	163.2	338.5	406.7	20.1	24.3	441.3	501.5	13.6
Total	2,291.7	4,603.6	5,522.0	19.9	994.6	2,823.9	2,876.5	1.9

---

[1] Includes metals in ores and concentrates (iron, lead, zinc, copper, molybdenum, etc.); coal, crude petroleum and natural gas; crude non-metallic minerals (asbestos, clays, sand and gravel, sulphur, limestone, etc.); refined non-ferrous metals (lead, zinc, silver, aluminum, etc.) and petroleum and coal products (butane, propane, fuel oil, gasoline, etc.).

Table 1.6

Imports by Commodity Group Through British Columbia Customs Ports

	1973	1982	1983	Change 1982–1983
		($ millions)		(per cent)
Food, feed, beverages and tobacco	289.6	874.7	877.4	0.3
Metal in ores, concentrates and scrap	77.6	229.5	214.5	−6.5
Other crude materials[1]	50.3	172.9	188.3	8.9
Fabricated materials				
iron, steel and alloys	130.0	292.9	197.7	−32.5
chemicals, petroleum and coal products	72.1	207.3	239.0	15.3
wood products, pulp, paper and paperboard	92.5	151.3	216.9	43.4
textile fabricated materials	25.9	47.8	51.3	7.3
other fabricated materials[2]	98.9	312.8	323.2	3.3
Machinery, transportation and other equipment and tools	981.7	3,237.8	3,338.3	3.1
Personal and household goods[3]	95.8	297.3	320.0	7.6
All other products[4]	106.7	432.1	483.5	11.9
Total	2,021.1	6,256.4	6,450.1	3.1

---

[1] Includes inedible animal and vegetable products; wood and coal and petroleum products.

[2] Includes leather and rubber fabricated materials; oils, fats, waxes and derivatives; metal fabricated materials (excluding machinery and tools) and structural materials.

[3] Includes wearing apparel and accessories; house furnishings and utensils; toys, games and sporting goods; toiletries; jewellery and silverware.

[4] Includes magazines and newspapers; office supplies; photographic goods; firearms and medicinal and pharmaceutical products.

Table 1.7

Total Imports Through British Columbia Customs Ports by Major Countries

	1973		1982		1983		Change in Value 1982–1983
	($ millions)	Per cent of total	($ millions)	Per cent of total	($ millions)	Per cent of total	(per cent)
United States	1,126.4	55.7	2,797.5	44.7	2,772.3	43.0	−0.9
Japan	446.9	22.1	1,995.8	31.9	2,167.8	33.6	8.6
Australia	73.4	3.6	141.8	2.3	142.8	2.2	0.7
United Kingdom	65.2	3.2	82.2	1.3	76.5	1.2	−6.9
Other European Common Market countries[1]	71.8	3.6	302.9	4.8	248.1	3.8	−18.1
Other countries	237.4	11.8	936.2	15.0	1,042.6	16.2	11.4
Total	2,021.1	100.0	6,256.4	100.0	6,450.1	100.0	3.1

[1] Ireland, Denmark, Belgium, Luxembourg, France, Germany (Federal Republic), Netherlands, Italy, Greece

Table 2.1

Tax Rate Changes, 1983 and 1984 (to August 1, 1984)

(1) The *Social Service Tax Act* was amended effective July 8, 1983, to raise the basic social service tax rate from 6 to 7 per cent, and to remove exemptions for long-distance telephone calls and prepared meals priced at $7 or more.

(2) The *Gasoline (Coloured) Tax Act* was amended effective July 8, 1983, to provide for a tax of 20 per cent of the surveyed pre-tax selling price of marine bunker fuel. Previously, the tax on marine bunker fuel had been based on the tax rate on clear gasoline.

(3) The *Tobacco Tax Act* was amended effective July 8, 1983, to increase the tax rates applied to tobacco products by 25 per cent. The tax rate rose from 40 cents to 50 cents per package of 25 cigarettes. The indexing formula, under which tobacco tax rates are adjusted semi-annually, was maintained.

(4) The *Taxation (Rural Area) Act* was amended effective January 1, 1984, to permit the Lieutenant Governor in Council to prescribe tax rates for each property class defined under section 2 of the *Assessment Act*.

(5) The *Income Tax Act* (British Columbia) was amended effective January 1, 1984, to impose a health care maintenance surtax. The health care maintenance surtax is 4 per cent of British Columbia tax in 1984 and 8 per cent of British Columbia tax in 1985 and subsequent years.

(6) The *Social Service Tax Act* was amended effective February 21, 1984, to exempt specified safety-related items from social service tax.

(7) The *Hotel Room Tax Act* was amended effective March 1, 1984, to end the two rate hotel room tax structure and establish a single tax rate of 7 per cent on all accommodation priced in excess of $10 per night.

(8) The *Home Owner Grant Act* was amended to increase the minimum amount of property tax payable, after deduction of the homeowner grant, to $175 from $150, effective January 1, 1985. The minimum for senior citizens and others eligible for the supplementary grant will remain at $1.

Table 2.2

Comparative Provincial Tax Rates, July 15, 1984

Tax	**British Columbia**	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland
Personal income (per cent of basic federal tax)	44[1]	43.5	51[1]	54[1]	48[1]	([2])	58.0	56.5	52.5	60
Corporation income (per cent of taxable income)										
General rate	16	11	16	16	15[3]	5.5	15	15	10	16
Small business rate	8	5	10	10	*Nil*[3]	3	*Nil*	10	10	10
Corporation capital (per cent of taxable paid-up capital)										
Non-financial corporations	0.2	*Nil*	0.3	0.2	0.3	0.45	*Nil*	*Nil*	*Nil*	*Nil*
Trust companies	0.6	*Nil*	0.8	0.6	0.6	0.9	*Nil*	*Nil*	*Nil*	1.5
Banks	2.0	*Nil*	0.8	1.9	0.8	0.9	*Nil*	*Nil*	*Nil*	1.5
Insurance premiums (per cent)[4]	2	2	3	3	3	3	3	3	2	3
Gasoline										
Per cent of retail price	20	*Nil*	*Nil*	N.A.	20	30	20	20	22	22
Cents per litre	7.66	*Nil*	*Nil*	7.5	8.0	11.85	8.0	9.0	10.0	9.9
Diesel fuel										
Per cent of retail price	([5])	*Nil*	*Nil*	N.A.	27	30	23	21	29	26
Cents per litre	8.10	*Nil*	*Nil*	8.6	9.3	10.8	9.3	8.9	12.7	11.6
Retail sales										
General rate (per cent)	7	*Nil*	5	6	7	9	10	10	10	12
Liquor (per cent)	7	*Nil*	10	12	12	9	10	10	37.5[6]	12
Meals (per cent)[7]	7	*Nil*	*Nil*	6	7	10	10	10	10	12
Accommodation (per cent)	7	*Nil*	*Nil*	6	5	*Nil*	10	10	10	12
Tobacco (cents per package of 25 cigarettes)[8]	56	37	67	65	66.5	62.3	75	50	37.5	119.5

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[1] British Columbia has a 10 per cent surtax on provincial tax in excess of $3,500 plus an additional 4 per cent surtax (effective January 1, 1984) applied to the sum of provincial tax and the 10 per cent surtax (if applicable). Saskatchewan has a 12 per cent surtax on provincial tax in excess of $4,000. Manitoba has a 20 per cent surtax on the amount by which provincial tax payable exceeds tax payable at a taxable income of $25,000. Ontario has a 5 per cent surtax on provincial tax in excess of $110.80.

[2] Quebec levies its own personal income tax which has an approximate range of 50 to 60 per cent of federal tax.

[3] In Ontario, a 14 per cent corporation income tax rate applies to taxable income derived from manufacturing and processing, mining, logging, farming and fishing operations. Small businesses are exempt from taxation until January 1, 1985.

[4] Tax is payable by insurer. In Saskatchewan, Ontario, Quebec, New Brunswick and Nova Scotia, life, sickness and accident insurance premiums are taxed at 2 per cent and all other premiums are taxed at 3 per cent. In Newfoundland, an additional 12 per cent tax on premiums is payable by the insured. Most provinces levy an additional tax of 1 per cent or less on fire insurance premiums to fund the office of the provincial fire commissioner.

[5] In British Columbia, the tax rate on diesel fuel is equal to the tax rate on gasoline plus 0.44 cents.

[6] In Prince Edward Island, liquor is taxed under the *Health Tax Act* at 25 per cent and under the *Retail Sales Act* at 10 per cent, resulting in a compound tax rate of 37.5 per cent.

[7] A basic exemption for low priced meals exists in most provinces. In British Columbia, meals less than $7.00 are exempt from tax.

[8] In British Columbia, the tax on cigarettes is indexed to reflect changes in the retail price. In Ontario, Quebec, New Brunswick and Newfoundland set rates are applied to a determined retail price. Other provinces tax cigarettes by an amount which cannot be adjusted without legislative amendment. In Prince Edward Island, Newfoundland and Ontario tobacco products are also subject to retail sales tax.

Table 2.3

Provincial Taxes

Type	Title and Statutory Reference	Tax Base	Tax Rate	Characteristics
Income	*Income Tax Act* (R.S.B.C. 1979, c. 190; 1980, c. 12, s. 7; 1980, c. 50, s. 46; 1981, c. 6; 1982, c. 18; c. 58; 1983, c. 18; 1984, c. 6; c. 13)	Net income (1) Corporation	16% of taxable income (8% for small businesses)	Collected under agreement by Revenue Canada—Taxation
		(2) Personal	44% of basic federal tax payable; 10% surtax on British Columbia tax in excess of $3,500; health care maintenance surtax of 4% in 1984 and 8% in 1985 and subsequent years	Reduction of tax where taxable income is $2,980 or less in 1984; refundable tax credit for investors in British Columbia Housing and Development Bonds of 13.5% to individuals; 8% to corporations eligible for the small business tax rate and 16% to other corporations; other non-refundable tax credits for claim against personal and corporate income tax include: Logging Tax Credit, Provincial Political Contributions Tax Credit and Provincial Royalty Tax Rebate
Capital	*Corporation Capital Tax Act* (R.S.B.C. 1979, c. 69; 1980, c. 4; c. 36, s. 16; 1982, c. 6; c. 43, s. 8; 1983, c. 6, s. 1-2)	Taxable paid-up capital of $1,000,000 or more; graduated rate effective for paid-up capital between $1,000,000 and $1,250,000	General: 1/5 of 1% Banks: 2 per cent if taxable capital exceeds $500 million; 4/5 of 1 per cent if taxable capital is less than $500 million Trust Companies and Loan Companies: 3/5 of 1%	Exemptions—Corporations with paid-up capital under $1,000,000, credit unions, co-operatives, self-owned apartment corporations, corporations exempt under section 149 (1) of *Income Tax Act* (Canada), family farms
Inheritance (repealed)	*Succession Duty Act*			
Probate (repealed)	*Probate Fee Act*			
Gift (repealed)	*Gift Tax Act*			
Retail sales	*Social Service Tax Act* (R.S.B.C. 1979, c. 388; 1980, c. 52; c. 10, s. 119; c. 49, s. 12; 1981, c. 8; c. 29; c. 15, s. 159–160; 1982, c. 39; 1983, c. 27; c. 6, s. 30–34; c. 20, s. 49–51)	Purchase and lease price of tangible personal property	General rate 7% Liquor 7%	Collected through vendors and lessors registered under the act, and (or) paid by purchaser; provides for exemptions on restaurant meals priced at less than $7.00 and food for human consumption, draft beer, coal and coke, fuels taxed under other acts, specified farm implements and machinery when purchased by a *bona fide* farmer, fishing boats and equipment when purchased by a *bona fide* commercial fisherman, water, prescribed medicaments, vitamins and dietary supplements, diabetic and ostomy supplies, hearing-aids, dentures, specified equipment for the handicapped, prescribed dental and optical appliances, specified catalysts and direct agents, agricultural feeds, seeds, fertilizers, insecticides, etc., sales at less than 15¢, ships of more than 500 tons, children's clothing and footwear, books, periodicals and magazines, specified school supplies, candies and soft drinks, tobacco products taxable under the *Tobacco Tax Act*, certain energy conservation equipment and material, patent medicines, local residential telephone services, telecommunication services, electricity, natural gas and fuel oil purchased for residential use, used mobile homes, yard goods and patterns, work-related safety equipment designed to be worn, bicycles, transporting devices for the handicapped, smoke alarms, oxygen and related dispensing equipment used for medical purposes, children's safety car seats, specified marine and highway safety-related equipment

Table 2.3

Provincial Taxes—*Continued*

Type	Title and Statutory Reference	Tax Base	Tax Rate	Characteristics
Accommodation	*Hotel Room Tax Act* (R.S.B.C. 1979, c. 183; 1981, c. 5, s. 31–32; c. 15, s. 103; 1982, c. 10, s. 12–22; 1983, c. 6, s. 13–16; 1984, c. 4; c. 26, s. 73)	Purchase price of accommodation	7%	Exemptions include accommodations over a two-month period; charges of $10 or less per day; charitable institutions; and trailer parks and campsites.
Tobacco	*Tobacco Tax Act* (R.S.B.C. 1979, c. 404; 1981, c. 5, s. 55–57; c. 15, s. 164; 1982, c. 29; 1983, c. 11; c. 6, s. 38–40)	By cigarette, cigar retail price, and weight on other tobacco products	2.24¢ per cigarette; 3¢ to 30¢ per cigar; 70% of retail price on cigars of more than 49¢; 13¢ per ½ oz. of tobacco (or 24¢ for 25 grams)	Tax rates on cigarettes and tobacco adjusted semi-annually, based on Vancouver consumer price index subcomponent for tobacco products. Rates quoted effective March 1, 1984 to August 31, 1984.
Motor fuel	*Gasoline Tax Act* (R.S.B.C. 1979, c. 152; 1980, c. 12, s. 3; 1981, c. 5, s. 16–20; 1982, c. 13; 1983, c. 6, s. 10-11)	Per litre	Gasoline 7.66¢ Aircraft fuel 5.02¢	Refunds available in specific circumstances defined in the Act and regulations. All quoted tax rates effective July 1, 1984 to September 30, 1984. Rates adjusted quarterly. Gasoline tax rate adjusted to equal 20% of Vancouver retail price less provincial taxes. Exact formula in S.B.C. 1981, c. 5. Aviation fuel tax rate to equal prevailing gasoline tax rate less 2.64¢ per litre. Handicapped eligible for 100% rebate of gasoline tax. Compressed natural gas and propane used to propel motor vehicles exempt.
	Gasoline (Coloured) Tax Act (R.S.B.C. 1979, c. 151; 1980, c. 50, s. 44; 1981, c. 5, s. 9–15; c. 21, s. 23–24; 1982, c. 10, s. 4–6; 1983, c. 17; c. 6, s. 9)	Per litre	5.02¢	Fuels coloured purple may be used for a variety of specific primary production and industrial purposes. Tax rate adjusted quarterly to prevailing clear gasoline tax rate less 2.64¢ per litre (except for marine bunker fuel). Family farms and commercial fishermen eligible for lower tax rates on coloured gasoline and motive fuels, adjusted quarterly to prevailing clear gasoline tax rate less 3.74¢ per litre. Natural gas used for operating pipeline compressor stations taxed at 1.1¢ 810.32 litres, not adjusted quarterly.
	Motive Fuel Use Tax Act (R.S.B.C. 1979, c. 285; 1980, c. 12, s. 12; 1981, c. 5, s. 42-43; 1982, c. 20; 1983, c. 6, s. 23-24)	Per litre	8.10¢	Applies to any fuel except gasoline, natural gas, propane and butane used in a motor-vehicle on a highway. Refunds available in specific circumstances defined in the Act and regulations. Tax rate adjusted quarterly to prevailing gasoline tax rate plus 0.44¢ per litre. Handicapped eligible for 100% rebate of tax.
Race-meetings	*Horse Racing Tax Act* (R.S.B.C. 1979, c. 175; 1980, c. 19; 1982, c. 10, s. 9-10)	Parimutuel betting pool	7%	3.5% of tax paid to increase purses, maintain a breeders incentive fund, make grants for breeders societies, operate race courses and horse racing meets, and for equine health research. Net rate to province is 3.5%.
Natural resources	*Logging Tax Act* (R.S.B.C. 1979, c. 248; 1981, c. 5, s. 36–38; 1982, c. 10, s. 26-27; 1983, c. 6, s. 19-20; 1984, c. 7, s. 15)	Net income from logging where in excess of $25,000	10% (Fully recoverable against federal and provincial corporation income tax)	Net income from logging after deducting investment and non-forestry income and a processing allowance.
	Mining Tax Act (R.S.B.C. 1979, c. 267; 1980, c. 12, s. 10-11; 1981, c. 5, s. 39–41; 1982, c. 10, s. 28-29; 1983, c. 6, s. 21-22)	All income from mining operations if mining income exceeds $50,000	15%	Net income from mining after deducting investment and non-mining income and a processing allowance. Tax not applicable to petroleum, natural gas, or minerals taxed under the *Mineral Resource Tax Act*.
	Mineral Resource Tax Act (R.S.B.C. 1979, c. 263; 1980, c. 27; 1982, c. 43, s. 18–22)	Net income from individual mining operations (metallic minerals) other than coal, sand, gravel and certain other industrial minerals. No tax on first $50,000 for unincorporated mines or partnerships	17.5%	Net income after deductions including: accelerated capital cost allowances, exploration and development expenses, depletion and processing allowances.

Table 2.3

Provincial Taxes—*Continued*

Type	Title and Statutory Reference	Tax Base	Tax Rate	Characteristics
	Mineral Land Tax Act (R.S.B.C. 1979, c. 260; 1980, c. 35; 1981, c. 19; c. 20)	Assessed value of mineral land and production tracts	Basic undesignated mineral land: 62c–$2.47 per hectare	Rates of tax set on sliding scale, dependent on amount and designation of land
Insurance	*Insurance Premium Tax Act* (R.S.B.C. 1979, c. 205; 1980, c. 12, 5, 8, 9; 1981, c. 5, s. 34; 1982, c. 10, s. 24; 1983, c. 6, s. 17-18; c. 20, s. 27)	Direct premiums written	2%	Exemptions—Benefit societies; mutual corporations with 50% of income from farm or entirely from religious, educational, or charitable institutions; marine; approved medical or hospitalization plans; Insurance Corporation of British Columbia (basic auto insurance only) Exemptions—Insurance Corporation of British Columbia (basic automobile insurance only)
	Fire Services Act (R.S.B.C. 1979, c. 133; 1980, c. 13; 1981, c. 15, s. 95; 1982, c. 49)	Direct premiums written for fire hazard	1%	Exemptions—Insurance Corporation of British Columbia (basic automobile insurance only)
Real property	*Taxation (Rural Area) Act* (R.S.B.C. 1979, c. 400; 1980, c. 12, s. 17-18; c. 18, s. 21-22; c. 49, s. 14; 1981, c. 5, s. 52-54; 1982, c. 27-28; 1983, c. 24, s. 37; c. 6, s. 36-37; c. 20, s. 52; 1984, c. 25, s. 65)	Assessed value of land and improvements in rural areas (outside municipalities). Assessment determined under *Assessment Act*		Property is assessed at actual value. Different tax rates apply to different classes of property
			Residential (0.13%)	Includes residential property, vacant land having no present use which is not specifically held for business, commercial, forestry or industrial purposes
			Utilities (0.46%)	Property used or held for transportation by railway, transportation by pipeline, communication by telephone or telegraph, transmission of electricity or transmission of closed circuit television.
			Forestry (0.40%)	Timberland, forest land and wild land used for forestry purposes
			Industrial (0.44%)	Generally includes property used or held for the purpose of extracting, processing, manufacturing, transporting or storing of any product
			Tree Farm (0.80%)	Property managed as a tree farm. To encourage sustained yield forestry practices on privately owned forest land, assessed value is capitalized net return. Crown land held under a tree farm licence or an agreement under the *Forest Act* is exempt.
			Seasonal Resort, Recreational Property and Fraternal Organization (0.13%)	Property used on a seasonal basis to provide overnight sleeping accommodation, land used for golf, skiing, tennis, ball games of any kind or lawn bowling, and property used by non-profit organizations under specified conditions.
			Farm (0.05%)	Land used for farming. Improvements on farmland exempt, fruit trees exempt. Assessed at value as a farm.
			Business Other (0.32%)	All property not contained in any other class
Non-residential school tax	*Education (Interim) Finance Act* (S.B.C. 1982, c. 2; 1982, c. 76, s. 12; 1983, c. 10, s. 21; c. 14, s. 1–2; c. 20, s. 12–14; c. 23, s. 17; c. 24, s. 14–16; 1984, c. 18, s. 1–10)	Assessed value of non-residential land and improvements. Assessment determined under *Assessment Act*	Tax rates vary by class of property and school district	Tax revenue is used to finance provision of public schools education

Table 3.1

Major Provincial Programs for Local Government

Type	Statutory Reference	Basis	Rate	Remarks
PROVINCIAL GOVERNMENT PROPERTY				
Provincial government property grant	*Municipal Aid Act*	Assessed value of improved properties	The individual tax rates of the municipality and regional district containing the property	
REVENUE SHARING				
Unconditional municipal grant	*Revenue Sharing Act*	Municipal population, expenditure and assessment	80 per cent of available funds distributed in proportion to population; 20 per cent in proportion to expenditure and assessment	Largest single source of municipal grants
Basic municipal grant	*Revenue Sharing Act*	Municipal status	$30,000 minimum per municipality; $60,000 maximum	
Water facilities assistance (old)	*Revenue Sharing Act*	Local area taxable capacity	75 per cent of excess annual debt-servicing cost over a basic 2½ mill real property tax levy	Grants continuing until expiry of approved debt
Sewerage facilities assistance (old)	*Revenue Sharing Act*	Local area taxable capacity	75 per cent of excess annual debt-servicing cost over a basic 2½ mill real property tax levy	Grants continuing until expiry of approved debt
Water facilities assistance (new)	*Revenue Sharing Act*	Capital cost of approved projects	25 per cent of approved costs, subject to other limits and high cost grant	Replaced "old" program in 1983
Sewerage facilities assistance (new)	*Revenue Sharing Act*	Capital cost of approved projects	25 per cent of approved costs, subject to other limits and high cost grant	Replaced "old" program in 1983
Major municipal highway grants	*Revenue Sharing Act*	Approved construction or acquisition costs	50 per cent of shareable costs	Designed to promote transportation networks and associated land use
Municipal planning grants	*Revenue Sharing Act*	Approved costs for plan preparation	Amount varies according to approved planning costs	Annual ceiling of $1 million
Regional district basic grant	*Revenue Sharing Act*	Regional district status	$30,000 per regional district	
Regional district administration grant	*Revenue Sharing Act*	Regional district status	$10,000 per regional district	Unconditional
Regional district planning grant	*Revenue Sharing Act*	Approved costs for plan preparation	Amount varies according to approved planning costs	Annual ceiling of $1 million

Appendix 4: Crown Corporations and Enterprises

Table 4.1
Major British Columbia Crown Corporations and Enterprises

Corporate Entity	Statutory Authority	Minister Responsible	Functions
British Columbia Assessment Authority	*Assessment Authority Act*	Minister of Finance	Assessment of all real property within the province for taxation purposes.
British Columbia Hydro and Power Authority	*Hydro and Power Authority Act*	Minister of Energy, Mines and Petroleum Resources	Generation, transmission and distribution of electricity; distribution of gas; rail freight transportation.
British Columbia Railway Company	*British Columbia Railway Act*	Minister of Industry and Small Business Development	Operation of railway.
Insurance Corporation of British Columbia	*Insurance Corporation Act*	Minister of Consumer and Corporate Affairs	Provision of automobile insurance plan and general insurance services.
British Columbia Ferry Corporation	*Ferry Corporation Act*	Minister of Transportation and Highways	Operation of coastal ferry service.
British Columbia Petroleum Corporation	*Petroleum Corporation Act*	Minister of Energy, Mines and Petroleum Resources	Purchase and resale of natural gas and natural gas by-products to raise revenue in lieu of Crown royalties.
British Columbia Development Corporation	*Development Corporation Act*	Minister of Industry and Small Business Development	Provision of assistance to industry and development of industrial land to promote economic development.
British Columbia Cellulose Company	*British Columbia Cellulose Company Act*	Minister of Industry and Small Business Development	Holding provincial ownership in Ocean Falls Corporation (non-operating pulp mill and townsite).
British Columbia Steamship Company (1975) Limited	*Ministry of Transportation and Highways Act; Canada Corporations Act*	Minister of Transportation and Highways	Operation of daily summer ferry service between Victoria and Seattle, Washington.
Provincial Rental Housing Corporation	*Ministry of Lands, Parks and Housing Act: Company Act*	Minister of Lands, Parks and Housing	Holding provincial ownership in public housing units.
British Columbia Housing Management Commission	*Ministry of Lands, Parks and Housing Act*	Minister of Lands, Parks and Housing	Management of provincial and federal-provincial public housing units and administration of rent supplement programs.
British Columbia Buildings Corporation	*British Columbia Buildings Corporation Act*	Provincial Secretary and Minister of Government Services	Provision of accommodation for government ministries and certain government entities.
British Columbia Systems Corporation	*System Act*	Minister of Finance	Provision of data processing services for government ministries and certain government entities.
British Columbia School Districts Capital Financing Authority	*School District Capital Finance Act*	Minister of Finance	Provision of capital funds required by school districts.
British Columbia Regional Hospital Districts Financing Authority	*Hospital District Finance Act*	Minister of Finance	Provision of capital funds required by regional hospital districts.
British Columbia Educational Institutions Capital Financing Authority	*Educational Institution Capital Finance Act*	Minister of Finance	Provision of capital funds required by universities, colleges and institutes.
British Columbia Transit	*British Columbia Transit Act*	Minister of Human Resources	Provision and maintenance of public transportation systems.
Liquor Distribution Branch	*Liquor Distribution Act*	Minister of Consumer and Corporate Affairs	Purchase, distribute and sell alcoholic beverages.
Provincial Capital Commission	*Capital Commission Act*	Minister of Finance	Protection and enhancement of the Capital Improvement District and management of properties in Commission control.
British Columbia Place Ltd.	*British Columbia Place Act: Company Act*	Minister of Energy, Mines and Petroleum Resources	Establishment, planning and development of the British Columbia Place site in Vancouver and construction and operation of a 60,000-seat multi-purpose domed stadium.
Expo 86 Corporation	*Expo 86 Corporation Act*	Minister of Tourism	Planning, developing and hosting the 1986 world exposition in British Columbia.
W.L.C. Developments Ltd.	*Company Act*	Minister of Lands, Parks and Housing	Administer and develop assets of the former Whistler Village Land Company.

Table 4.2

Long-Term Borrowing of Provincial Crown Corporations During the Five Years Ended March 31, 1984: From Provincial Trusteed Funds, the Canada Pension Plan Investment Fund and Public and Private Issues

Provincial Crown Corporations	Fiscal year ended March 31				
	1980	1981	1982	1983	1984
			($ millions)		
British Columbia Hydro and Power Authority					
Canada Pension Plan Investment Fund	17.0	78.7	—	—	—
Provincial trusteed funds	550.0	100.0	—	—	—
Public issues	—	150.0	1,335.0[1]	677.3[1]	830.1[1]
	567.0	328.7	1,335.0[1]	677.3[1]	830.1[1]
British Columbia Railway Company					
Canada Pension Plan Investment Fund	41.4	—	—	—	—
Provincial trusteed funds	45.0	—	—	—	—
Private issues	—	—	18.0[1]	6.8[1]	18.2
	86.4	—	18.0[1]	6.8[1]	18.2
British Columbia School Districts Capital Financing Authority					
Canada Pension Plan Investment Fund	88.6	64.5	99.5	123.0	120.1
Provincial trusteed funds	—	5.2	—	25.0	11.0
Private issues	—	—	11.4[1]	0.6[1]	—
	88.6	69.7	110.9[1]	148.6[1]	131.1
British Columbia Educational Institutions Capital Financing Authority					
Canada Pension Plan Investment Fund	33.5	58.4	104.1	82.6	76.8
Provincial trusteed funds	1.0	—	—	—	3.7
Private issues	—	—	6.0[1]	—	—
	34.5	58.4	110.1[1]	82.6	80.5
British Columbia Regional Hospital Districts Financing Authority					
Canada Pension Plan Investment Fund	83.8	81.5	128.1	105.7	95.4
Provincial trusteed funds	—	—	—	15.3	—
Private issues	—	—	—	12.0	—
	83.8	81.5	128.1	133.0	95.4
British Columbia Buildings Corporation					
Canada Pension Plan Investment Fund	18.3	19.0	20.0	49.6	18.1
Provincial trusteed funds	—	50.0	—	109.9	—
Public issues	—	—	40.0[1]	100.0	—
	18.3	69.0	60.0[1]	259.5	18.1
British Columbia Systems Corporation					
Canada Pension Plan Investment Fund	—	—	26.5	—	—
Private issues	—	—	13.7[1]	21.6[1]	—
	—	—	40.2[1]	21.6[1]	—
British Columbia Development Corporation					
Private issues	—	—	59.9[1]	6.0[2]	—
	—	—	59.9[1]	6.0[2]	—
British Columbia Ferry Corporation					
Canada Pension Plan Investment Fund	—	—	—	—	14.8
Private Issues	—	—	19.9	—	—
	—	—	19.9	—	14.8

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[1] Includes foreign borrowings converted to Canadian dollars.

[2] Figure includes $6 million borrowed by BCDC from British Columbia Housing and Employment Development Financing Authority.

Table 4.2

Long-Term Borrowing of Provincial Crown Corporations During the Five Years Ended March 31, 1984: From Provincial Trusteed Funds, the Canada Pension Plan Investment Fund and Public and Private Issues—*Continued*

Provincial Crown Corporations	Fiscal year ended March 31				
	1980	1981	1982	1983	1984
			($ millions)		
British Columbia Petroleum Corporation					
Private issues	—	—	—	30.0	—
	—	—	—	30.0	—
British Columbia Place Ltd.					
Private Issues	—	—	—	—	10.0[4]
	—	—	—	—	10.0[4]
British Columbia Transit					
Canada Pension Plan Investment Fund	—	—	—	17.3	49.7[4]
Private issues	—	—	—	26.1	39.0
Public issues	—	—	—	—	50.0[4]
	—	—	—	43.4	138.7[4]
British Columbia Housing and Employment Development Financing Authority					
Provincial Trusteed Funds	—	—	—	6.0	—
Public issues	—	—	—	—	175.5
	—	—	—	6.0	175.5
W.L.C. Developments Ltd.					
Public issues	—	—	—	—	7.8
	—	—	—	—	7.8
Totals					
Canada Pension Plan Investment Fund	282.6	302.1	378.2	378.2	374.9[4]
Provincial trusteed funds	596.0	155.2	—	156.2	14.7
Public and private issues	—	150.0	1,503.9[1]	880.4[1]	1,130.6[1,4]
	878.6	607.3	1,882.1[1]	1,414.8[1,3]	1,520.2[1,4]

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[1] Includes foreign borrowings converted to Canadian dollars.

[3] Net new borrowing, after elimination of interagency borrowing, is $1,408.8 million.

[4] Includes funds borrowed by the provincial government and reloaned to Crown corporations.

Table 5.1

Major Provincial Programs for People

Type	Statutory Reference	Basis	Rate	Remarks
EDUCATION PROGRAMS				
Public schools	*School Act*, *Education (Interim) Finance Act*	Approved operating and capital costs of each school district	(a) In 1982/83, an interim education finance formula was introduced, guaranteeing a basic operating contribution to each school district of 60 per cent of its shareable operating budget. Each district is eligible for a further operating contribution to a maximum of 40 per cent of its shareable operating budget. This additional contribution is determined on the basis of wealth in the district as measured by residential assessed values per pupil. The contribution is determined annually, based on enrolments, approved operating costs of the preceding year and other budgetary requirements. (b) A capital contribution not exceeding 50 per cent of those debt service costs up to the equivalent of 6 mills, plus 75 per cent of debt service costs between 6 mills and 12 mills, plus 90 per cent of any additional costs. Under this formula a district's share of debt service costs will not be greater than the equivalent of 4½ mills plus 10 per cent of any costs over the equivalent of 12 mills	Statutory levy on non-residential property is determined annually.
Independent schools	*School Support (Independent) Act*	Operating support contributions (number of students and type of program)	Based on 9 per cent (Group 1) and 30 per cent (Group 2) of the public school per pupil operating cost	
Universities	*University Act*	Operating contributions	(a) Contributions for operating expenses approved on recommendation of Universities Council	
		Capital contributions	(b) Full cost of servicing debt for approved capital projects and acquisition of certain equipment items	
Colleges and Provincial Institutes	*College and Institute Act*	Operating contributions (number of students and type of program)	(a) Contributions for operating expenses approved by the Ministry of Education	
		Capital contributions	(b) Full cost of servicing debt for approved capital projects and acquisition of minor capital items	
British Columbia Institute of Technology	*Institute of Technology Act*	Operating contributions (number of students and type of program)	(a) Contributions for operating expenses approved by the Ministry of Education	
		Capital contributions	(b) Full cost of servicing debt for approved capital projects and acquisition of minor capital items	
Student Aid		Need	Loans of up to $75 per week, part-time campus employment for students demonstrating financial need, other small assistance programs for specific purposes	
HEALTH PROGRAMS				
Hospital care (including construction and equipment)	*Hospital Insurance Act*	In-patient care (includes acute, rehabilitation and extended care)	Payment of direct operating contributions to hospitals for care of all qualified provincial residents	Patient charge of $8.50 *per diem* while hospitalized for acute and rehabilitative care, patient charge of $13.25 *per diem* for extended care. (No user charge for extended care for persons under the age of 19.)
		Out-patient care	Payment made for a wide range of services, including day-care surgery	Patient charge of $10.00 for emergency services or minor surgery and $8.00 charge for day surgical services
		Hospital equipment	Contributions of 33 to 100 per cent on major moveable depreciable equipment	
	Hospital District Act	Approved capital costs	60 per cent of debt service costs for approved construction and fixed equipment up to an amount equalling a levy of 4 mills on the net taxable value of land and improvements, plus 80% of any remaining expense	
Continuing care				
(A) Residential care	*Community Care Facility Act*	Need	Individual pays $13.25 *per diem* for basic accommodation. Province provides balance (approx. $8 to $35 per day)	Includes private hospitals, community care facilities, mental health boarding homes and extended care hospitals
(B) Home care				
(a) Home care nursing and home preparation		Need	Province pays 100 per cent	
(b) Homemaker services	*Guaranteed Available Income for Need Act*	Need	User charge levied based on income	Province pays 90 to 100 per cent (including federal government contributions)

Table 5.1

Major Provincial Programs for People—*Continued*

Type	Statutory Reference	Basis	Rate	Remarks
Medical services	*Medical Service Act*	Premium rates	Medical services monthly premium rates effective January 1, 1984, are: $16 per single person, $30 per family of two and $34 per family of three or more	
		Income or need	Subsidy of 90 per cent of medical care premiums for those with taxable income in previous year of $1,990 or less or under temporary financial hardship; 50 per cent subsidy for those with taxable income in previous year between $1,990 and $2,930	
Ambulance service	*Health Emergency Act*	Transportation, resuscitation and advanced life support	Net cost paid by province	Patient (resident of province) charged fee of $28 plus 29 cents per kilometre over 40 kilometres, up to a maximum $180, effective July 1, 1984
PROPERTY TAX RELIEF PROGRAMS				
Home owner property tax grants	*Home Owner Grant Act*	Per eligible home owner	$380 plus additional $250 for home owners 65 and over, for certain persons on income assistance or pension and for eligible handicapped persons	Minimum tax payable, $150, $1 if eligible for supplemental grant; applies first to school taxes
Real property tax deferment	*Land Tax Deferment Act*	Per resident home owner age 65 or over, widowed spouse, handicapped	Deferment of 100 per cent of net property tax	Deferred taxes allowed only where property is eligible for home owner grant
HOUSING PROGRAMS				
B.C. Housing Management Commission	*Ministry of Lands, Parks and Housing Act*	Income and housing need	Rent is subsidized to 30 per cent of income for units operated by BCHMC and designated units in non-profit and private market housing	The 30 per cent rent scale was announced July 7, 1983. It applies to all new tenants but will be phased in over 3 years for existing tenants. Prior to July 1983, a 25 per cent rent scale was in effect
B.C. Second Mortgage	*Home Purchase Assistance Act*	Established residency and home cost	Second mortgage of up to $10,000 providing applicant has not benefitted previously	Application may be made within one year after purchase of home; available on new or used housing under $85,000 in value
B.C. Home Program	*Homeowner Interest Assistance Act*	Mortgage interest rates over 12 per cent	Interest free loans available to Sept. 30, 1985 to reduce the interest rate to 12 per cent on the first $60,000 of mortgage debt	Interest free loans are repayable in 1986
Housing for Disabled	*Ministry of Lands, Parks and Housing Act*	Income and housing need	Grant of up to ¼ of the total cost of self-contained low-rental housing units	Province may supply site on lease basis. Rental assistance available
Senior citizens homes	*Housing Construction (Elderly Citizens) Act*	Total cost of construction and community need	Grant of up to ¼ of the total cost of self-contained low-rental housing units	Province may supply site on lease basis. Rental assistance available
INCOME ASSISTANCE AND SOCIAL PROGRAMS				
Income assistance (social allowance, age benefits and supplement to old age security, and handicapped persons income assistance)	*Guaranteed Available Income for Need Act*	Income and need	Rates are determined by factors such as age, length of time on Income Assistance, family size and employability	Province pays 100 per cent of allowance and recovers 50 per cent in federal contributions in most cases
		Disability and need	Single handicapped person, $548.14 monthly maximum; couple, with one person handicapped, $865 monthly; couple, both persons handicapped, $1,001.32	Province pays 100 per cent (including federal contribution)
Elderly renters assistance	*Shelter Aid for Elderly Renters Act*	Tenants age 65 and over receiving Old Age Security and in financial need	Monthly payments equal to 75 per cent of rent in excess of 30 per cent of income	Maximum claimable rent of $365 per month for a couple and $330 per month for a single person
Health care services	*Guaranteed Available Income for Need Act*	Need	Comprehensive health care to persons receiving income assistance benefits and to children in care	Province pays 50 to 100 per cent, according to type of expenditure (including federal contribution)
Pharmacare	*Guaranteed Available Income for Need Act*	Age or income	(a) Free prescription drugs for persons aged 65 and over, long-term care residents and unemployable and handicapped GAIN clients (b) 80 per cent subsidy of prescription drug costs over $175 for a family or for a single person in each calendar year, effective April 1, 1984	Province pays 100 per cent (including federal contribution)
Services for the mentally retarded	*Guaranteed Available Income for Need Act*	Income or need	Institutional and community based residential care, achievement centres, community living skills	Province pays up to 100 per cent according to type of expenditure (including federal contribution)
Family support homemaker services	*Guaranteed Available Income for Need Act*	Need	Temporary homemaker services for the care of children	Province pays up to 100 per cent (including federal contribution)
Child day care and special needs day care	*Guaranteed Available Income for Need Act*	Income and need	Subsidy for each child	Province pays up to 100 per cent (including federal contribution)
		Approved capital and equipment costs	Grants to day-care centres	Province pays 100 per cent (including federal contribution)
Infant development program	*Guaranteed Available Income for Need Act*	Need	Fully subsidized	

Table 5.1

Major Provincial Programs for People—*Continued*

Type	Statutory Reference	Basis	Rate	Remarks
Family and children's services (protection services, payments to foster, group and therapeutic homes, specialized treatment resources, special services to children, rehabilitation resources, family support, homemaker services, adoption and infant development program)	*Family and Child Service Act*	Need and or income	(a) Foster care rates effective January 1, 1984: $172.79 to $292.31 per month according to age; special rates for authorized care or services (b) Other services provided through a contracted basis, subsidy to parents, or contributions to a community agency	Province pays up to 100 per cent according to type of expenditure (including federal contribution).
Community projects	*Guaranteed Available Income for Need Act*	Approved operating costs	Contributions for various community-based projects and services, including crisis centres, family support and counselling, youth programs, programs for handicapped, volunteer bureaus and multi-service agencies	Province pays 100 per cent (including federal contribution).
Individual Opportunity Program (Incentive allowance, employment opportunity program, job action, work clothing and transportation, education and training assistance, work activity projects and employment incentives for the handicapped)	*Guaranteed Available Income for Need Act*	Income and Need	Assistance and incentives vary among programs	Various forms of incentives and assistance to prepare income assistance recipients for return to work.
OTHER PROGRAMS				
Highways	*Highway Act*	Provincial highways in municipalities	Arterials, 100 per cent; secondary, 50 per cent for capital works, 40 per cent for maintenance	
Urban transit	*British Columbia Transit Act*	Planning and funding of transit services	Shared-cost formula with users, the province and municipalities contributing	
Regional and community parks	*Park (Regional) Act, Ministry of Lands, Parks and Housing Act*	Assistance to municipalities and regional districts through the provision of Crown grants for regional and community park purposes		
Library grants	*Library Act*	Population served (and area served in the case of regionally organized libraries)	Rates are established annually	
Provincial guaranteed debt			Guaranteed debt of self-liquidating obligations of municipalities and other local entities for water, sewerage, drainage, schools, hospitals, etc., at March 31, 1984, was $2,140.4 million.	

Appendix 6: Industrial Development

Table 6.1

Volume of Mature Timber[1]

Species	Million cubic metres	Per Cent of Total
Western hemlock	1,836	22.7
Spruce	1,751	21.7
Balsam	1,490	18.4
Lodgepole pine	1,121	13.9
Western red cedar	914	11.3
Douglas fir	530	6.6
Cypress	172	2.1
Aspen	131	1.6
Cottonwood	46	0.6
All others	92	1.1
Total	8,083	100.0

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[1] Based on Forest Inventory Statistics of British Columbia, 1973.

Table 6.2

Timber Scaled by Species

Species	1973	1982	1983[1]	Change 1982–1983
		(thousand m³)		(per cent)
Balsam	9,638	6,924	9,039	30.5
Cedar	8,781	6,086	7,601	24.9
Douglas fir	9,860	6,122	7,449	21.7
Lodgepole pine	9,106	11,929	15,526	30.2
Spruce	15,313	14,361	17,768	23.7
Western hemlock	15,051	9,418	12,063	28.1
All others	2,388	1,390	1,997	43.7
Total	70,137	56,230	71,443	27.1

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[1] Based on Monthly Timber Scale Reports from Ministry of Forests; subject to revision.

Table 6.3

Metal, Mineral, Coal, Petroleum and Natural Gas Production

		1981		1982		1983[1]	
	Unit	Quantity	Value	Quantity	Value	Quantity	Value
Metals		(000)	($ millions)	(000)	($ millions)	(000)	($ millions)
Copper	kg	290,088	611.3	279,874	495.0	285,753	548.7
Gold	g	7,760	136.1	7,688	118.3	8,420	140.9
Iron concentrates	t	602	14.3	775	19.6	487	12.6
Lead	kg	84,854	61.5	83,747	43.0	107,541	46.9
Molybdenum	kg	12,933	198.2	14,748	155.0	10,523	91.9
Silver	g	403,755	152.4	499,566	158.3	410,573	186.9
Zinc	kg	79,215	67.0	75,183	63.6	99,264	89.3
Other		—	5.8	—	4.7	—	4.2
Total		—	1,246.7	—	1,057.5	—	1,121.3
Industrial Minerals							
Asbestos	t	91	76.8	76	57.0	81	79.7
Sulphur	t	508	33.3	424	29.1	502	21.7
Other		—	12.4	—	9.5	—	10.7
Total		—	122.5	—	95.6	—	112.2
Structural Materials		—	200.8	—	164.2	—	168.6
Coal	t	11,753	554.3	10,646	566.9	11,836	560.7
Petroleum and Natural Gas							
Crude oil	m^3	2,036	236.2	2,078	333.9	2,079	402.3
Natural gas to pipeline	10^3m^3	8,063	616.8	7,188	542.7	6,900	448.6
Other		—	31.6	—	36.3	—	45.9
Total		—	884.5	—	912.9	—	896.8
Totals, all metals, minerals and fuels		—	3,008.7	—	2,797.1	—	2,859.6

[1] Estimated.

Note: Small differences in totals due to rounding.

Conversion table:

.9072 tonnes (t) = one short ton.
.4536 kilograms (kg) = one pound.
31.1035 grams (g) = one troy ounce.
.1590 cubic metres (m^3) = one barrel.
.0283 cubic metres (m^3) = one standard cubic foot.

Table 6.4

Total Metal, Mineral, Coal, Petroleum and Natural Gas Production

	($ millions)		($ millions)
1972	636.2	1978	1,972.1
1973	1,109.4	1979	2,949.5
1974	1,264.2	1980	3,077.0
1975	1,364.1	1981	3,008.7
1976	1,520.3	1982	2,797.1
1977	1,788.2	1983 (estimate)	2,859.6

Table 6.5

Supply and Disposal of Electric Energy in British Columbia

	SUPPLY					DISPOSAL	
	Net Generation						
Year	Hydro	Thermal	Total	Receipts From Other Provinces and Imports	Total B.C. Supply	Delivered to Other Provinces and Exports	Total B.C. Demand
				(gigawatt-hours)			
1973	32,843	4,884	37,727	713	38,440	4,848	33,591
1974	34,367	1,889	36,256	709	36,965	2,977	33,988
1975	31,028	3,514	34,542	1,301	35,843	3,154	32,689
1976	36,986	1,974	38,961	1,200	40,161	3,305	36,856
1977	41,241	1,945	43,185	1,007	44,192	5,749	38,444
1978	40,615	1,898	42,513	1,522	44,035	3,933	40,102
1979	40,928	2,245	43,173	1,737	44,910	3,656	41,254
1980	40,860	2,474	43,334	2,823	46,157	3,454	42,702
1981	49,408	1,600	51,008	1,158	52,166	8,987	43,180
1982	46,127	2,111	48,238	2,308	50,545	6,615	43,931
1983	44,911	2,367	47,279	2,445	49,724	4,975	44,749

Note: Small differences in totals due to rounding
Source: Statistics Canada, 57-001, 57-202.

Table 6.6

Installed Electrical Generating Capacity of Utilities in British Columbia

	Installed Capacity at March 31, 1984 (Kilowatts)		
	Hydro	Thermal	Combined
British Columbia Hydro and Power Authority	7,728,002	1,256,046	8,984,048
Department of Indian and Northern Affairs	320	—	320
The Corporation of the City of Nelson	8,670	—	8,670
West Kootenay Power & Light Co. Ltd.	184,875	—	184,875
Total	7,921,867	1,256,046	9,177,913

Sources: Hydro—Water Management Branch Records
Thermal—British Columbia Hydro and Power Authority

Table 6.7

Hydroelectric Projects Recently Completed or Under Construction

	Peace River		Columbia River		Pend-d'Oreille River
	W.A.C. Bennett Dam	Peace Canyon Dam	Mica Dam	Revelstoke Dam	Seven Mile Dam
Ultimate electrical generating capacity (megawatts)	2,730	700	2,610	2,765	639
Installed capacity at June 1984 (megawatts)	2,730	700	1,736	880	525
Height of dam (metres)	183	50	245	170	66
Volume of dam (millions of m^3)	43.7	0.4	32.1	13.8	0.4
Type of dam	Earth and rockfill	Concrete with earthfill saddle dam	Earth and rockfill	Concrete gravity and earthfill embankment	Concrete
Usable storage (millions of m^3)	39,500	*Nil*	9,729	1,850	*Nil*
Average flow (m^3 second)	1,042	1,042	580	816	787
Drainage area (thousands of km^2)	70.0	70.2	21.3	26.7	66.6
Completion date of latest construction phase	1980	1980	1977	1984	1981

Table 6.8

Value of Manufacturing Shipments

	1978	Per Cent of Total Manufacturing	1982	Per Cent of Total Manufacturing	1983	Per Cent of Total Manufacturing	Change 1982–1983
	($ millions)		($ millions)		($ millions)		(per cent)
Wood industries products	4,142	33.9	3,531	23.0	4,787	28.5	35.6
Paper and allied products	2,061	16.8	2,742	17.8	2,793	16.6	1.9
Food and beverages	1,784	14.6	2,505	16.3	2,558	15.2	2.1
Petroleum and coal products	878	7.2	2,119	13.8	2,156	12.8	1.7
Primary metals	624	5.1	688	4.5	781	4.6	13.5
Transport equipment	576	4.7	672	4.4	550	3.3	−18.2
Metal fabricated products	560	4.6	745	4.8	768	4.6	3.1
Chemicals	319	2.6	431	2.8	488	2.9	13.2
Machinery	297	2.4	328	2.1	301	1.8	−8.2
Printing and publishing	274	2.2	461	3.0	475	2.8	3.0
Non-metallic minerals	282	2.3	425	2.8	436	2.6	2.6
Electrical products	112	0.9	234	1.5	205	1.2	−12.4
Clothing and textiles	108	0.9	145	0.9	147	0.9	1.4
Furniture and fixtures	65	0.5	102	0.7	111	0.7	8.8
Other	154	1.3	249	1.6	256	1.5	2.8
Total	12,236	100.0	15,377	100.0	16,812	100.0	9.3

Source Statistics Canada

APPENDIX 7

THE PROVINCE OF BRITISH COLUMBIA

PRELIMINARY UNAUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1984

FOREWORD

This section includes the preliminary unaudited financial statements of the government of the Province of British Columbia for the year ended March 31, 1984 prepared by the Comptroller General from the accounts of the province, using the modified accrual basis of accounting.

These preliminary unaudited financial statements reflect the operations of the General and Special Funds; they do not include those of Crown corporations, with the exception of British Columbia Petroleum Corporation, or other separate government agencies. The interest of the province in its Crown entities is shown only to the extent of amounts invested in or advanced to them and as to guarantees of their debt securities issued. Accumulated earnings (or deficits) retained in these organizations are not reflected in the financial statements.

The accounts of the province are subject to examination by the Auditor General who is required to report annually to the Legislative Assembly on the financial statements of the government. The Report of the Auditor General on the complete financial statements for the year ended March 31, 1984 will be included in the annual Public Accounts which will be available after submission to the Legislative Assembly.

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Table 7.1

Combined General Fund and Special Funds (Consolidated Revenue Fund)
Balance Sheet at March 31, 1984 (Unaudited)

	1984	1983
ASSETS	$	$
Cash and temporary investments	222,374,065	282,550,897
Accounts receivable	663,913,107	614,830,089
Due from Crown Corporations and agencies	93,424,279	72,887,062
Mortgages receivable	266,165,929	250,315,139
Prepaid program costs	70,583,306	88,511,404
Inventories	42,772,910	45,375,731
Investments in and advances to Crown corporations	281,268,530	247,243,490
Loans to Crown corporations	249,658,231	—
Property under development	68,373,463	64,502,224
Fixed assets	1	1
Other assets	307,374,556	317,022,827
	2,265,908,377	**1,983,238,864**
LIABILITIES		
Accounts payable and accrued liabilities	615,610,156	461,121,783
Due to Crown corporations and agencies	146,151,132	20,357,385
Deferred revenue	204,484,215	91,271,490
Direct debt		
For government purposes	1,591,194,884	874,426,870
On behalf of Crown corporations	249,658,231	—
	2,807,098,618	**1,447,177,528**
NET EQUITY		
Net equity—beginning of year	536,061,336	1,520,266,330
Surplus (deficit) for the year	(1,077,251,577)	(984,204,994)
Net equity (net deficiency)—end of year	**(541,190,241)**	**536,061,336**
	2,265,908,377	**1,983,238,864**
CONTINGENCIES AND COMMITMENTS		
Guaranteed Debt	**12,773,550,806**	**11,426,846,802**
TRUST FUNDS UNDER ADMINISTRATION	**9,952,662,803**	**8,024,962,079**

Table 7.2

Statement of Operating Results for the Year Ended March 31, 1984 (Unaudited)

		1984				1983
Estimates 1984		General Fund	Special Funds	Adjustments For Transfers Between General Fund and Special Funds[1]	Total	Total
$		$	$	$	$	$
	Revenue					
4,062,000,000	Taxation	4,063,450,775			4,063,450,775	3,869,668,544
527,000,000	Natural resources	678,360,662	679,781,092	(678,360,662)	679,781,092	542,550,619
466,000,000	Other	366,956,505	351,828,238	(251,364,058)	467,420,685	563,391,656
355,000,000	Contributions from government enterprises	350,775,608			350,775,608	337,854,900
1,432,000,000	Contributions from the Federal Government	1,701,196,283			1,701,196,283	1,215,624,054
6,842,000,000	**Total revenue**	**7,160,739,833**	**1,031,609,330**	**(929,724,720)**	**7,262,624,443**	**6,529,089,773**
	Expenditure					
351,600,000	General government	346,121,752	1,729,605		347,851,357	342,089,886
368,500,000	Protection of persons and property	369,131,321			369,131,321	351,691,500
723,100,000	Transportation and communications	799,758,256			799,758,256	593,650,166
3,760,600,000	Health and social services	3,889,313,104			3,889,313,104	3,418,689,766
86,600,000	Recreation and cultural services	50,085,761	6,407,085		56,492,846	57,348,855
1,770,400,000	Education	1,728,684,878			1,728,684,878	1,668,572,801
485,500,000	Natural resources and primary industries	408,719,253	738,026,656	(710,204,143)	436,541,766	455,165,056
98,000,000	Trade and industrial development	57,146,621	6,061,253	(9,520,577)	53,687,297	57,504,908
80,700,000	Housing	86,304,073			86,304,073	120,496,342
307,200,000	Aid to local government	308,371,550	210,710,607	(210,000,000)	309,082,157	307,195,274
181,000,000	Interest on public debt	112,258,770			112,258,770	28,329,459
231,800,000	Other	112,593,812	56,761,841		150,770,195	112,560,754
8,445,000,000	**Total expenditure**	**8,249,903,693**	**1,019,697,047**	**(929,724,720)**	**8,339,876,020**	**7,513,294,767**
(1,603,000,000)	**Surplus (Deficit) for the Year**	**(1,089,163,860)**	**11,912,283**		**(1,077,251,577)**	**(984,204,994)**

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[1] Adjustments of $929,724,720 are composed of transfers from the General Fund to the Farm Income Assurance Fund ($31,843,481), Revenue Sharing Fund ($210,000,000) and Industrial Development Subsidiary Agreement Loan Repayment Revolving Fund ($9,520,577) as well as transfers from the Resource Revenue Stabilization Fund to the General Fund ($678,360,662)

Table 7.3

Statement of Combined General Fund and Special Funds Revenue by Source for the Fiscal Years Ended March 31, 1981, 1982, 1983 and 1984 (Unaudited)

	1981	1982	1983	1984
Taxation revenue	$	$	$	$
Personal income	1,369,211,996	1,848,153,074	2,008,152,085	1,818,815,006
Corporation income	456,608,866	579,997,631	188,550,277	309,470,082
Social service	757,974,947	1,129,542,193	999,449,345	1,201,338,425
Gasoline	202,536,160	331,657,359	348,718,971	370,554,377
Motive-fuel use	28,983,775	39,729,670	40,254,002	50,513,372
Fuel oil	16,763			
Cigarette and tobacco	74,654,794	102,883,691	109,109,479	138,450,501
Corporation capital	52,676,696	89,779,068	83,833,538	85,782,350
Property	25,961,274	43,437,585	40,745,157	36,789,104
Insurance premiums	17,484,993	20,210,237	21,141,440	20,920,174
Hotel and motel room	15,487,945	23,672,817	22,550,007	23,215,930
Pari mutuel betting	6,035,987	7,618,292	7,164,243	7,701,216
Succession and gift	936,688	14,216		(99,762)
Total Taxation Revenue	**3,008,570,884**	**4,216,695,833**	**3,869,668,544**	**4,063,450,775**
Natural resource revenue				
Minerals				
Petroleum and natural gas				
British Columbia Petroleum Corporation	208,326,333	219,922,383	96,048,923	164,249,387
Permits and fees	156,459,474	69,793,298	49,253,175	69,955,632
Royalties	50,896,824	67,164,102	83,523,655	96,652,028
Revenue from other minerals	119,593,185	62,454,453	32,454,641	31,616,719
	535,275,816	**419,334,236**	**261,280,394**	**362,473,766**
Forests				
Logging tax	45,556,100	12,276,852	2,074,182	956,421
Timber sales	233,525,954	78,442,028	64,700,259	107,333,898
Forest scaling fees	9,085,999	7,337,736	5,738,935	8,941,426
Other forest revenue	12,122,787	8,666,143	10,391,964	17,163,860
	300,290,840	**106,722,759**	**82,905,340**	**134,395,605**
Water resources	20,157,482	64,990,853	187,429,850	171,995,182
Wildlife Act — fees and licences	6,214,134	6,555,038	10,935,035	10,916,539
Total Natural Resource Revenue	**861,938,272**	**597,602,886**	**542,550,619**	**679,781,092**
Other revenue				
Sales and services				
Farm income assurance	8,939,518	43,305,107	28,338,001	31,843,481
Lottery	25,424,417	25,913,997	28,137,960	60,021,992
Land registry	36,399,084	31,161,375	27,056,219	31,035,564
Other	55,078,912	77,983,981	66,824,536	57,073,005
	125,841,931	**178,364,460**	**150,356,716**	**179,974,042**
Licences and permits				
Motor vehicle licences and permits	81,561,138	103,504,451	102,107,910	39,827,653
Other	35,961,487	41,832,114	44,045,671	43,673,900
	117,522,625	**145,336,565**	**146,153,581**	**83,501,553**
Fines and penalties	14,709,493	19,014,445	15,250,866	17,362,874
Interest from investments	225,716,888	211,475,421	91,321,248	76,848,946
Recoveries of grants and contributions	2,182,223			
British Columbia Place Ltd. — dividends, non-recurring recovery of previous grants			65,000,000	
British Columbia Cellulose Company — dividends			5,000,000	
Miscellaneous	76,602,085	126,121,491	90,309,245	109,733,270
Total Other Revenue	**562,575,245**	**680,312,382**	**563,391,656**	**467,420,685**

Table 7.3

Statement of Combined General Fund and Special Funds Revenue by Source
for the Fiscal Years Ended March 31, 1981, 1982, 1983 and 1984 (Unaudited)—*Continued*

	1981	1982	1983	1984
Contributions from government enterprises	$	$	$	$
Liquor Distribution Branch	274,548,747	315,839,210	337,854,900	350,756,563
British Columbia Buildings Corporation	17,045,000	8,005,000		
British Columbia Systems Corporation	1,522,000	2,676,000		19,045
Total Contributions from Government Enterprises	**293,115,747**	**326,520,210**	**337,854,900**	**350,775,608**
Contributions from the Federal Government				
Established Programs Financing	638,388,000	643,861,000	652,360,000	928,536,000
Fiscal Stabilization				80,000,000
Canada Assistance Plan	312,856,926	320,167,884	460,005,833	532,171,125
Statutory and other subsidies	7,352,468	7,595,929	9,232,574	7,241,818
Other shared costs and grants in aid	117,927,500	110,692,549	94,025,647	136,932,340
Reciprocal Taxation Agreement				16,315,000
Total Contributions from the Federal Government	**1,076,524,894**	**1,082,317,362**	**1,215,624,054**	**1,701,196,283**
Total Combined Revenue	**5,802,725,042**	**6,903,448,673**	**6,529,089,773**	**7,262,624,443**
Reconciliation with Summaries of Revenue				
General Fund	5,699,889,486	6,773,703,062	7,327,745,838	7,160,739,833
Less transfers from Special Funds	(12,660,764)	(62,768,481)	(1,405,730,330)	(678,360,662)
Special Funds	636,046,302	488,913,886	873,667,613	1,031,609,330
Less transfers from General Fund	(520,549,982)	(296,399,794)	(266,593,348)	(251,364,058)
	5,802,725,042	**6,903,448,673**	**6,529,089,773**	**7,262,624,443**

Table 7.4

Statement of Combined General Fund and Special Funds Expenditure by Function for the Fiscal Years Ended March 31, 1981, 1982, 1983 and 1984 (Unaudited)

	1981	1982	1983	1984
General Government	$	$	$	$
Administrative				
General	118,612,091	140,314,265	150,229,990	157,045,535
Employees' benefits	127,167,355	151,268,929	178,009,510	171,262,578
Legislative				
Elections	1,249,087	3,023,831	6,218,331	10,417,724
Legislative Assembly and Government House	8,413,894	8,656,635	7,632,055	9,125,520
Total General Government	**255,442,427**	**303,263,660**	**342,089,886**	**347,851,357**
Protection of Persons and Property				
Law enforcement	92,233,330	109,119,311	116,933,248	128,673,966
Corrections	80,054,935	84,846,362	96,397,224	98,771,190
Police protection	47,555,148	53,867,612	67,133,912	72,950,519
Registration, regulation, inspection, trusteeship	66,354,945	70,893,660	71,227,116	68,735,646
Total Protection of Persons and Property	**286,198,358**	**318,726,945**	**351,691,500**	**369,131,321**
Transportation and Communications				
Highways, roads, bridges and airports	470,423,809	483,312,836	429,024,872	642,064,291
Waterways, ferries, docks and wharves	27,071,097	54,764,375	39,804,475	32,872,632
British Columbia Ferries	57,928,384	63,712,166	47,820,819	47,821,333
British Columbia Railway	84,000,000	128,151,155	77,000,000	77,000,000
Total Transportation and Communications	**639,423,290**	**729,940,532**	**593,650,166**	**799,758,256**
Health and Social Services				
Health				
Administration	19,017,552	16,107,705	35,719,546	25,898,934
Public health	99,538,913	135,705,681	171,241,334	126,087,264
Medical, dental and allied services	462,443,017	567,816,751	636,218,363	855,669,903
Hospital care				
Administration	6,489,577	7,349,853	7,548,013	5,332,193
Payments to local hospitals	971,110,988	1,095,164,258	1,254,323,444	1,320,377,220
Provincial mental hospitals	113,777,485	118,140,667	127,219,989	159,696,996
Social Services				
Administration	83,583,974	94,432,460	97,629,074	101,471,486
Aid to aged persons	30,424,335	34,989,579	40,679,136	37,060,767
Social assistance	621,143,192	698,607,841	884,382,117	1,096,741,468
Child welfare	83,927,614	104,349,121	135,066,344	138,872,362
Labour relations, industrial conciliation and arbitration	12,251,617	26,071,837	28,662,406	22,104,511
Total Health and Social Services	**2,503,708,264**	**2,898,735,753**	**3,418,689,766**	**3,889,313,104**

Table 7.4

Statement of Combined General Fund and Special Funds Expenditure by Function
for the Fiscal Years Ended March 31, 1981, 1982, 1983 and 1984 (Unaudited)—*Continued*

	1981	1982	1983	1984
	$	$	$	$
Recreation and Cultural Services				
Archives, art galleries, museums and libraries	17,531,068	19,087,840	15,575,039	20,805,497
Parks, beaches and other recreational areas	46,398,233	46,899,806	33,641,376	27,772,994
Physical culture	7,624,107	4,217,607	3,136,070	3,637,659
Other	6,064,750	5,969,060	4,996,370	4,276,696
Total Recreation and Cultural Services	**77,618,158**	**76,174,313**	**57,348,855**	**56,492,846**
Education				
Administration	7,599,854	8,612,075	13,912,306	11,807,745
Schools operated by local authorities				
Operating grants	465,827,304	530,152,224	585,253,642	625,499,620
Home-owner grants (school-levy portion)	216,220,230	224,936,772	232,451,581	236,742,485
Aids and services	33,532,447	36,442,753	26,181,430	24,991,830
Universities, colleges, vocational and other schools	511,329,878	632,132,805	685,092,916	698,050,834
Independent schools	10,841,810	13,224,545	17,154,073	21,701,344
Education of the handicapped	3,537,955	8,061,693	5,316,646	5,098,579
Teachers' pensions and unemployment insurance	69,046,446	96,385,037	103,210,207	104,792,441
Total Education	**1,317,935,924**	**1,549,947,904**	**1,668,572,801**	**1,728,684,878**
Natural Resource and Primary Industries				
Fish and game	15,262,230	16,294,798	16,108,804	16,717,968
Forests (including fire suppression)	183,515,133	229,389,679	241,260,813	211,967,116
Lands-settlement and agriculture	100,523,937	177,684,905	145,407,337	142,669,629
Minerals and mines	20,822,162	22,888,474	18,662,329	15,609,667
Water resources	34,414,297	39,541,621	33,725,773	49,577,386
Other	8,360,472	1,745,750		
Total Natural Resource and Primary Industries	**362,898,231**	**487,545,227**	**455,165,056**	**436,541,766**
Trade and Industrial Development	**77,394,999**	**86,331,138**	**57,504,908**	**53,687,297**
Housing				
Home-owner grants (nonschool-levy portion)	25,337,139	26,075,767	25,766,231	26,304,721
Home-acquisition grants	25,587,784	21,372,090	22,116,318	23,560,828
Renters' grants	21,688,625	21,627,785	22,044,034	467,247
Other	45,163,988	44,377,392	50,569,759	35,971,277
Total Housing	**117,777,536**	**113,453,034**	**120,496,342**	**86,304,073**
Aid to Local Government				
Grants in aid of local government	218,483,744	264,733,057	212,557,750	215,796,116
Transit subsidy	72,853,435	89,757,666	86,408,473	85,358,897
Planning and development	3,136,542	3,677,394	4,659,742	4,587,798
University Endowment Lands	2,538,173	3,143,002	3,569,309	3,339,346
Total Aid to Local Government	**297,011,894**	**361,311,119**	**307,195,274**	**309,082,157**
Interest on Direct Debt	**19,299,398**	**16,917,773**	**28,329,459**	**112,258,770**

Table 7.4

Statement of Combined General Fund and Special Funds Expenditure by Function for the Fiscal Years Ended March 31, 1981, 1982, 1983 and 1984 (Unaudited)—*Continued*

	1981	1982	1983	1984
	$	$	$	$
Other Expenditure				
Provincial Emergency Program	9,755,561	8,613,767	5,761,926	3,446,891
Disaster relief, training, and development aid in foreign countries	393,000	415,003	227,000	2,220,681
Special Employment Program	25,204,041	15,035,795	45,977,727	39,381,454
Interest on deposits and revenue refunds	13,920,532	17,766,471	1,552,448	898,997
Lottery Fund grants	11,634,227	16,132,831	28,658,227	56,761,841
Crown corporation grants and other payments	21,838,889	53,358,895	10,000,000	46,228,520
British Columbia Resources Investment Corporation				
—Revaluation adjustment	22,004,858			
—Donation of investment		25,019,744		
Transfer of property to British Columbia Buildings Corporation		5,918,571	20,012,926	392,104
Sundry		2,861,672	370,500	1,439,707
Total Other Expenditure	**104,751,108**	**145,122,749**	**112,560,754**	**150,770,195**
Total Combined Expenditure	**6,059,459,587**	**7,087,470,147**	**7,513,294,767**	**8,339,876,020**
Reconciliation with Summaries of Expenditure				
General Fund	6,278,937,580	6,868,665,092	7,469,667,609	8,249,903,693
Less transfers to Special Funds	(520,549,982)	(296,399,794)	(266,593,348)	(251,364,058)
Special Funds	313,732,753	577,973,330	1,715,950,836	1,019,697,047
Less transfers to General Fund	(12,660,764)	(62,768,481)	(1,405,730,330)	(678,360,662)
	6,059,459,587	**7,087,470,147**	**7,513,294,767**	**8,339,876,020**

Table 7.5

General Fund Revenue for the Fiscal Year Ended March 31, 1984 (Unaudited)

Estimated	Source	Actual		
$		$	$	$
	Taxation Revenue:			
1,877,000,000	Personal income		1,818,815,006	
226,000,000	Corporation income		309,470,082	
1,225,000,000	Social service		1,201,338,425	
375,000,000	Gasoline		370,554,377	
45,000,000	Motive fuel use		50,513,372	
132,000,000	Tobacco		138,450,501	
87,000,000	Corporation capital		85,782,350	
39,000,000	Property (rural areas)		36,789,104	
23,000,000	Insurance premium		20,920,174	
25,000,000	Hotel room		23,215,930	
8,000,000	Horse racing		7,701,216	
	Succession and gift		(99,762)	
4,062,000,000	**Total Taxation Revenue**			4,063,450,775
	Natural Resource Revenue:			
525,600,000	Transfer from the Resource Revenue Stabilization Fund[1]			678,360,662
	Other Revenue:			
	Sales and services:			
12,500,000	Medicare services recoveries	10,604,075		
27,000,000	Real estate earnings of the Crown Land Special Account	15,858,651		
6,650,000	Motor vehicle lien and search fees	6,878,726		
5,000,000	Ambulance service	4,659,878		
4,400,000	Ferry revenue	4,168,508		
30,000,000	Land registry fees	31,035,564		
2,200,000	Sheriffs' fees	2,114,373		
1,950,000	Property tax collection fees	2,028,840		
1,600,000	Vital statistics fees	1,195,200		
1,200,000	Hearing aid equipment	1,169,694		
700,000	Sales of maps and airphotos	479,378		
4,900,000	Miscellaneous sales and services	7,915,682		
98,100,000			88,108,569	
	Licences and permits:			
108,000,000	Motor vehicle licences and permits	39,827,652		
15,400,000	Liquor Licensing Branch—permits and fees	14,385,538		
7,000,000	Companies Branch	7,354,634		
5,000,000	Safety inspection fees	4,069,261		
4,500,000	Law stamps	3,938,380		
3,300,000	Camp-site permits and park use	2,997,226		
2,600,000	*Fire Services Act*—fees, etc.	3,969,398		
2,500,000	Insurance, brokers and real estate	1,647,811		
1,300,000	Agricultural licences	1,035,612		
1,000,000	Trade and dealer licences	798,716		
900,000	Mobile home registry	683,547		
4,500,000	Miscellaneous licences and permits	2,793,778		
156,000,000			83,501,553	

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[1] Natural resource revenue is paid into the Resource Revenue Stabilization Fund. In 1983-84, all revenue received by this Fund was transferred to the General Fund.

Table 7.5

General Fund Revenue for the Fiscal Year Ended March 31, 1984 (Unaudited)—*Continued*

Estimated	Source	Actual		
$		$	$	$
64,500,000	Interest from investments		68,544,273	
	Miscellaneous:			
18,000,000	Fines and penalties	17,362,874		
12,000,000	Maintenance of children	11,308,078		
6,500,000	Other maintenance receipts	2,909,430		
8,700,000	Insurance claim receipts	9,006,337		
1,000,000	Municipal share of joint-service programs	3,876,161		
31,800,000	Other miscellaneous revenue	28,065,160		
78,000,000			72,528,040	
	Non-recurring revenue:			
	British Columbia Harbours Board—sale of assets	24,826,900		
	British Columbia Development Corporation—return of trust assets	25,293,595		
	Pier BC Development Board Ltd.—wind up	2,900,000		
	Sale of property to British Columbia Buildings Corporation	288,652		
	Sale of ferry (Princess of Vancouver)	854,658		
	Other	110,265		
			54,274,070	
396,600,000	**Total Other Revenue**			366,956,505
	Contributions From Government Enterprises:			
355,000,000	Liquor Distribution Branch—net income		350,756,563	
	British Columbia Systems Corporation		19,045	
355,000,000	**Total Contributions from Government Enterprises**			350,775,608
	Contributions from the Federal Government:			
793,000,000	Established Programs Financing	928,536,000		
490,000,000	Canada Assistance Plan	532,171,125		
	Fiscal Stabilization Program	80,000,000		
55,000,000	Adult occupational training	75,748,478		
15,000,000	Economic development	20,593,417		
15,000,000	Transportation and highways	14,228,760		
5,000,000	*Public Utilities Income Tax Transfer Act*	4,725,987		
2,500,000	Statutory subsidies	2,515,831		
20,000,000	Reciprocal Taxation Agreement	16,315,000		
36,500,000	Other Payments	26,361,685		
1,432,000,000	**Total Contributions from the Federal Government**			1,701,196,283
6,771,200,000	**General Fund Revenue**			7,160,739,833

Table 7.6

Resource Revenue Stabilization Fund Revenue for the Fiscal Year Ended March 31, 1984 (Unaudited)

Estimated	Source	Actual	
$		$	$
	Petroleum and Natural Gas:		
45,000,000	British Columbia Petroleum Corporation	164,249,387	
49,000,000	Permits and fees	69,955,632	
85,000,000	Petroleum and natural gas royalties	96,652,028	
179,000,000			330,857,047
	Minerals:		
	Mining tax	1,656,635	
	Mineral resource tax	(1,537,382)	
15,000,000	Mineral land tax	15,940,321	
11,000,000	Coal, minerals and metals royalties	8,944,758	
8,000,000	Miscellaneous mining receipts	6,612,387	
34,000,000			31,616,719
	Forests:		
2,500,000	Logging tax	956,421	
113,000,000	Timber sales	107,333,898	
5,900,000	Timber royalties	13,120,905	
6,800,000	Forest scaling fees	8,941,426	
2,800,000	Miscellaneous forest receipts	4,042,955	
131,000,000			134,395,605
172,000,000	**Water Rentals and Recording Fees**		171,995,181
9,600,000	***Wildlife Act*—Fees and Licences**		9,496,110
525,600,000	**Revenue of the Resource Revenue Stabilization Fund**		678,360,662
525,600,000	**Transfer to General Fund**		678,360,662
—	**Balance of Fund**		—

Table 7.7

General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1984 (Unaudited)

		Total Appropriations				
Vote No.	**Description**	**Estimated**	**Other Authorizations**	**Total**	**Actual Expenditure**	**Net Under Expenditure**
		$	$	$	$	$
	Legislation					
1	Legislation	**7,610,112**				
	Statutory—*Constitution Act* (R.S.B.C. 1979, chap. 62, sec. 64)		**2,588**	**7,612,700**	**7,612,700**	
	Auditor General					
2	Auditor General	**3,151,560**		**3,151,560**	**3,062,471**	**89,089**
	Ombudsman					
3	Office of the Ombudsman	**1,618,744**		**1,618,744**	**1,618,239**	**505**
	Premier's Office					
4	Premier's Office	**660,799**		**660,799**	**577,325**	**83,474**
	Ministry of Agriculture and Food					
5	Minister's Office	175,590		175,590	140,418	35,172
6	Ministry Operations	78,200,677				
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		(2,700,000)	75,500,677	74,666,527	834,150
7	Milk Board	263,285		263,285	252,032	11,253
8	Provincial Agricultural Land Commission	715,042		715,042	711,230	3,812
	Statutory—					
	Cattle Horn Act (R.S.B.C. 1979, chap. 44, sec. 7)—Livestock improvement		30,030	30,030	30,030	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22)—Crop insurance		526,022	526,022	526,022	
		79,354,594	**(2,143,948)**	**77,210,646**	**76,326,259**	**884,387**
	Special Accounts—					
	Livestock Protection Act (R.S.B.C. 1979, chap. 245, sec. 14)	14,000	9,062	23,062	23,062	
	Farm Product Industry Act (R.S.B.C. 1979, chap. 124, sec. 16)	2,300,000		2,300,000	2,064,014	235,986
	Agricultural Credit Act (R.S.B.C. 1979, chap. 202, sec. 5)		22,465	22,465	22,465	
		81,668,594	**(2,112,421)**	**79,556,173**	**78,435,800**	**1,120,373**
	Ministry of Attorney General					
9	Minister's Office	185,732		185,732	180,959	4,773
10	Administration and Support Services	65,728,532		65,728,532	65,690,950	37,582
11	Superior and County Judiciary	1,894,887				
	Supplement—Special Warrant No. 7		150,000	2,044,887	1,879,918	164,969
12	Provincial Judiciary	9,078,651		9,078,651	8,737,866	340,785
13	Police Services	72,599,391				
	Supplement—Special Warrant No. 7		600,000	73,199,391	71,950,519	1,248,872
14	Court Services	42,906,470		42,906,470	42,882,998	23,472
15	Corrections	79,176,813		79,176,813	79,171,190	5,623
16	Legal Services to Government	9,821,996		9,821,996	9,076,168	745,828
17	Criminal Justice	15,053,323		15,053,323	15,046,568	6,755
18	Statutory Services, Boards, Commissions	33,660,320				
	Supplement—Special Warrant No. 7		500,000			
	Statutory—					
	Criminal Injury Compensation Act (R.S.B.C. 1979, chap. 83, sec. 2 (5))		1,591,308	35,751,628	35,485,779	265,849
	Indian Cut-off Lands Disputes Act (S.B.C. 1982, chap. 50, sec. 5)—Okanagan, Squamish and Westbank		1,439,708	1,439,708	1,439,708	
		330,106,115	**4,281,016**	**334,387,131**	**331,542,623**	**2,844,508**

Table 7.7

General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1984 (Unaudited)—*Continued*

		Total Appropriations				
Vote No.	Description	Estimated	Other Authorizations	Total	Actual Expenditure	Net Under Expenditure
		$	$	$	$	$
	Special Account—*Land Title Act* (R.S.B.C. 1979, chap. 219, sec. 274)	47,000		47,000	8,650	38,350
		330,153,115	**4,281,016**	**334,434,131**	**331,551,273**	**2,882,858**
	Ministry of Consumer and Corporate Affairs					
19	Minister's Office	184,197		184,197	181,569	2,628
20	Ministry Operations	18,922,938		18,922,938	18,276,156	646,782
		19,107,135		**19,107,135**	**18,457,725**	**649,410**
	Ministry of Education					
21	Minister's Office	207,010		207,010	149,479	57,531
22	Management Operations and Educational Finance	24,383,227		24,383,227	23,722,286	660,941
23	Public Schools Education	1,040,531,959				
	Statutory—*Education (Interim) Finance Act* (S.B.C. 1982, chap. 2, sec. 20 (6))		1,200,000	1,041,731,959	1,005,466,650	36,265,309
24	Post-Secondary Colleges and Institutes	319,463,135		319,463,135	318,794,894	668,241
25	Independent Schools	22,117,339		22,117,339	21,688,117	429,222
		1,406,702,670	**1,200,000**	**1,407,902,670**	**1,369,821,426**	**38,081,244**
26	Voted Financing Transactions (Rural Residential School Property Tax)					
		1,406,702,670	**1,200,000**	**1,407,902,670**	**1,369,821,426**	**38,081,244**
	Ministry of Energy, Mines and Petroleum Resources					
27	Minister's Office	173,868		173,868	129,282	44,586
28	Resource Management Program	20,353,252		20,353,252	18,420,837	1,932,415
29	British Columbia Utilities Commission	1,555,257		1,555,257	1,484,817	70,440
30	Fort Nelson Indian Band Mineral Revenue Sharing Agreement	3,500,000		3,500,000	2,002,480	1,497,520
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 24 (c))—Interest on revenue refunds		97,340	97,340	97,340	
	Mines Act (S.B.C. 1980, chap. 28, sec. 15 (2))—Mine improvement		2,355	2,355	2,355	
		25,582,377	**99,695**	**25,682,072**	**22,137,111**	**3,544,961**
	Special Account—Energy Development—*Special Appropriations Act* (S.B.C. 1982, chap. 40, sec. 4)		88,827	88,827	88,827	
		25,582,377	**188,522**	**25,770,899**	**22,225,938**	**3,544,961**
	Ministry of Environment					
31	Minister's Office	164,475		164,475	52,869	111,606
32	Resource and Environmental Management	79,212,164		79,212,164	76,260,348	2,951,816
33	Emergency Assistance	3,530,000		3,530,000	467,139	3,062,861
	Statutory—					
	Flood Relief Act (R.S.B.C. 1979, chap. 138, sec. 2)—Flood costs		2,783,564	2,783,564	2,783,564	
	Emergency Program Act (R.S.B.C. 1979, chap. 106, sec. 16)—Purchase of property subject to hazard		663,327	663,327	663,327	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 15 (1))—Extinguishment of debt		3,802	3,802	3,802	
		82,906,639	**3,450,693**	**86,357,332**	**80,231,049**	**6,126,283**

Table 7.7

General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1984 (Unaudited)—*Continued*

		Total Appropriations				
Vote No.	Description	Estimated	Other Authorizations	Total	Actual Expenditure	Net Under Expenditure
		$	$	$	$	$
	Ministry of Finance					
34	Minister's Office	172,432		172,432	156,595	15,837
35	Government Financial Support	56,128,016		56,128,016	53,847,657	2,280,359
36	Interest on the Public Debt	181,000,000		181,000,000	105,862,020	75,137,980
37	Provincial Capital Commission	363,022		363,022	362,021	1,001
38	Compensation Stabilization Program	861,845		861,845	617,449	244,396
39	Contingencies (All Ministries)	95,000,000		95,000,000	60,257,133	34,742,867
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 24 (c))—Interest on revenue refunds		801,078	801,078	801,078	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 53 (f))—Debt Issue Costs		403,116	403,116	403,116	
	Unclaimed Money Act (R.S.B.C. 1979, chap. 418, sec. 4)—Payment of claims		5,396	5,396	5,396	
		333,525,315	**1,209,590**	**334,734,905**	**222,312,465**	**112,422,440**
40	Voted Financing Transactions (Rural Area Property Taxes and Land Tax Deferments)					
		333,525,315	**1,209,590**	**334,734,905**	**222,312,465**	**112,422,440**
	Ministry of Forests					
41	Minister's Office	143,879		143,879	137,711	6,168
42	Forest and Range Management	192,472,471		192,472,471	190,253,732	2,218,739
43	Fire Suppression Program	50,000,000		50,000,000	24,862,771	25,137,229
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 24 (c))—Interest on revenue refunds		578	578	578	
		242,616,350	**578**	**242,616,928**	**215,254,792**	**27,362,136**
	Ministry of Health					
44	Minister's Office	182,438		182,438	160,696	21,742
45	Management Operations	66,569,430		66,569,430	63,154,035	3,415,395
46	Medical Services Commission	526,713,581				
	Statutory—*Medical Service Act* (R.S.B.C. 1979, chap. 255, sec. 12)		15,567,337	542,280,918	542,280,918	
47	Preventive and Community Health Care Services	158,801,506		158,801,506	144,312,863	14,488,643
48	Institutional Services	1,697,781,892		1,697,781,892	1,686,367,585	11,414,307
		2,450,048,847	**15,567,337**	**2,465,616,184**	**2,436,276,097**	**29,340,087**
	Ministry of Human Resources					
49	Minister's Office	195,191		195,191	176,351	18,840
50	Ministry Programs	1,281,477,701				
	Supplement—Special Warrant No. 8		11,540,000	1,293,017,701	1,293,016,477	1,224
51	Transit Services	86,600,000		86,600,000	85,358,897	1,241,103
		1,368,272,892	**11,540,000**	**1,379,812,892**	**1,378,551,725**	**1,261,167**
	Ministry of Industry and Small Business Development					
52	Minister's Office	158,426		158,426	151,861	6,565
53	Ministry Operations	68,112,503				
	Supplement—Special Warrant No. 6		1,000,000			
	Statutory—*Constitution Act* (R.S.B.C. 1979, chap. 62, sec. 14, O.I.C. 1677/83)—Transfer to Ministry of Universities, Science and Communications		(4,900,000)	64,212,503	40,611,912	23,600,591

Table 7.7

General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1984 (Unaudited)—*Continued*

Vote No.	Description	Total Appropriations: Estimated	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditure	Net Under Expenditure
		$	$	$	$	$
54	British Columbia Railway—Historic Debt	70,000,000		70,000,000	70,000,000	
	Statutory—*Public Service Act* (R.S.B.C. 1979, chap. 343, sec. 78)—Medical expenses, London, England		310	310	310	
		138,270,929	**(3,899,690)**	**134,371,239**	**110,764,083**	**23,607,156**
55	Voted Financing Transactions (Travel Industry Development Subsidiary Agreement)					
		138,270,929	**(3,899,690)**	**134,371,239**	**110,764,083**	**23,607,156**
	Special Account—North East Coal Development—*Special Appropriations Act* (S.B.C. 1982, chap. 40, sec. 6)	2,646,500		2,646,500	1,050,010	1,596,490
		140,917,429	**(3,899,690)**	**137,017,739**	**111,814,093**	**25,203,646**
	Ministry of Intergovernmental Relations					
56	Minister's Office	117,775		117,775	112,085	5,690
57	Intergovernmental Relations	2,305,312		2,305,312	2,069,757	235,555
	Statutory—*Public Service Act* (R.S.B.C. 1979, chap. 343, sec. 78)—Medical expenses, London, England		2,004	2,004	2,004	
		2,423,087	**2,004**	**2,425,091**	**2,183,846**	**241,245**
	Ministry of Labour					
58	Minister's Office	182,042		182,042	177,061	4,981
59	Ministry Operations	56,023,326		56,023,326	49,431,653	6,591,673
60	Boards and Agencies	2,693,975				
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		18,936	2,712,911	2,712,911	
		58,899,343	**18,936**	**58,918,279**	**52,321,625**	**6,596,654**
	Ministry of Lands, Parks and Housing					
61	Minister's Office	176,639		176,639	129,708	46,931
62	Ministry Operations	63,038,679		63,038,679	59,198,623	3,840,056
63	Ministry Enterprises	10		10		10
		63,215,328		**63,215,328**	**59,328,331**	**3,886,997**
	Special Accounts—					
	Crown Land—*Ministry of Lands, Parks and Housing Act* (R.S.B.C. 1979, chap. 277, sec. 7)	16,700,000	6,278,761	22,978,761	22,973,761	
	Provincial Home Acquisition—*Home Conversion and Leasehold Loan Act* (R.S.B.C. 1979, chap. 170, sec. 17) and *Home Purchase Assistance Act* (R.S.B.C. 1979, chap. 172, sec. 21)	18,000,000	7,048,047	25,048,047	25,048,047	
	University Endowment Land Act (R.S.B.C. 1979, chap. 420, sec. 3)	2,355,000		2,355,000	1,132,019	1,222,981
		100,270,328	**13,326,808**	**113,597,136**	**108,487,158**	**5,109,978**
	Ministry of Municipal Affairs					
64	Minister's Office	161,468		161,468	156,901	4,567
65	Operations and Administration	9,349,891		9,349,891	8,866,860	483,031
66	Municipal Revenue Sharing	210,000,000		210,000,000	210,000,000	
		219,511,359		**219,511,359**	**219,023,761**	**487,598**
	Special Account—Downtown Revitalization—*Special Appropriations Act*, (S.B.C. 1982, chap. 40, sec. 2)	1,405,000		1,405,000	584,691	820,309
		220,916,359		**220,916,359**	**219,608,452**	**1,307,907**

Table 7.7

General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1984 (Unaudited)—*Continued*

Vote No.	Description	Total Appropriations: Estimated	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditure	Net Under Expenditure
		$	$	$	$	$
	Ministry of Provincial Secretary and Government Services					
67	Minister's Office	197,095		197,095	172,227	24,868
68	Provincial Secretary and Government Services	41,611,053		41,611,053	40,063,190	1,547,863
69	Government Information Services	17,861,018		17,861,018	13,704,565	4,156,453
70	Culture, Heritage and Recreation	17,843,737		17,843,737	17,201,643	642,094
71	Government Personnel, Pensions and Employee Benefits Administration	13,052,221		13,052,221	11,618,373	1,433,848
72	Pensions and Employee Benefits Contributions	167,183,000		167,183,000	165,518,708	1,664,292
	Statutory—*Public Sector Restraint Act* (S.B.C. 1983, chap. 26, sec. 7 (6))		8,219	8,219	8,219	
		257,748,124	**8,219**	**257,756,343**	**248,286,925**	**9,469,418**
	Special Accounts—					
	Barkerville Historic Park Development — *Special Appropriations Act* (S.B.C. 1982, chap. 40, sec. 1)	526,000	305	526,305	526,305	
	Provincial Computerization of Libraries — *Special Appropriations Act* (S.B.C. 1982, chap. 40, sec. 7)	1,536,000		1,536,000	349,283	1,186,717
		259,810,124	**8,524**	**259,818,648**	**249,162,513**	**10,656,135**
	Ministry of Tourism					
73	Minister's Office	132,564		132,564	130,524	2,040
74	Operations Services	3,811,088				
	Statutory — *Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 20 (3))		335,380	4,146,468	4,146,468	
75	Marketing Services	1,998,434		1,998,434	1,682,644	315,790
	Statutory—*Public Service Act* (R.S.B.C. 1979, chap. 343, sec. 78)—Medical Expenses, London, England and California, U.S.A.		23,709	23,709	23,709	
		5,942,086	**359,089**	**6,301,175**	**5,983,345**	**317,830**
	Ministry of Transportation and Highways					
76	Minister's Office	200,936		200,936	162,650	38,286
77	Administration and Services Department	9,035,729		9,035,729	8,121,227	914,502
78	Highway Operations Department	468,289,850		468,289,850	463,864,022	4,425,828
79	Hydro Development—Highways	10		10		10
80	Motor Vehicle Department	25,400,685		25,400,685	25,294,846	105,839
81	Motor Carrier Commission and Branch	1,258,273		1,258,273	1,113,848	144,425
82	Transportation Policy Department	5,721,481		5,721,481	4,275,816	1,445,665
83	Air Services Branch	4,385,176		4,385,176	4,047,690	337,486
84	Crown Corporation Assistance	54,822,700		54,822,700	54,821,332	1,368
		569,114,840		**569,114,840**	**561,701,431**	**7,413,409**
	Ministry of Universities, Science and Communications					
85	Minister's Office	119,840		119,840	110,421	9,419
86	Ministry Operations	8,641,343				
	Statutory—*Constitution Act* (R.S.B.C. 1979, chap. 62, sec. 14, O.I.C. 1677/83) — Transfer from Ministry of Industry and Small Business Development		4,900,000	13,541,343	10,372,005	3,169,338
87	Government Telecommunications Services	27,226,886		27,226,886	26,762,077	464,809
88	Universities	353,394,486		353,394,486	349,542,574	3,851,912
	Statutory—*University of Victoria Special Appropriation Act, 1984* (S.B.C. 1984, chap. 2, sec. 1)		16,000,000	16,000,000	16,000,000	
		389,382,555	**20,900,000**	**410,282,555**	**402,787,077**	**7,495,478**
		8,101,301,300	**66,043,574**	**8,167,344,874**	**7,880,038,565**	**287,306,309**

Table 7.7

General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1984 (Unaudited)—*Continued*

Vote No.	Description	Total Appropriations: Estimated	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditure	Net Under Expenditure
		$	$	$	$	$
	Other—					
	Employment Development Act (S.B.C. 1983, chap. 15, sec. 1)	245,000,000		245,000,000	239,810,142	5,189,858
	Medical Service Act (R.S.B.C. 1979, chap. 255, sec. 12)		130,054,986	130,054,986	130,054,986	
	Total, General Fund Expenditure	8,346,301,300	196,098,560	8,542,399,860	8,249,903,693	292,496,167

Table 7.8

Combined General Fund and Special Funds Expenditure by Objects of Expenditure Classification (Grouped) for the Fiscal Year Ended March 31, 1984 (Unaudited)

Ministry	Salaries and Wages	Travel	Services	Utilities, Materials and Supplies	Acquisition of Physical Assets	Rentals	Grants, Contributions and Subsidies	Other Expenditures	*Less:* Recoveries	Total Expenditures
	$	$	$	$	$	$	$	$	$	$
Legislation	2.518.131	13.730	3.855.044	970.549	56.195	47.779	87.400	63.872		7.612.700
Auditor General	2.394.733	203.808	171.077	66.708	11.144	210.001	5.000			3.062.471
Ombudsman	1.118.880	50.591	186.134	67.638		194.996				1.618.239
Premiers Office	399.151	71.771	10.091	96.099				213		577.325
Agriculture and Food	15.383.897	1.371.436	1.699.681	1.105.699	123.458	4.934.825	17.308.221	38.364.714	(1.856.131)	78.435.800
Attorney General	132.948.463	4.512.509	102.701.430	15.241.514	1.379.886	58.360.772	20.352.362	3.067.229	(7.012.892)	331.551.273
Consumer and Corporate Affairs	12.560.267	420.844	2.276.986	706.955		2.280.696	108.000	105.834	(1.857)	18.457.725
Education	13.724.974	396.056	8.729.748	14.410.410	1.187.803	3.298.353	2.017.336.390	247.537	(689.509.845)	1.369.821.426
Energy Mines and Petroleum Resources	11.272.765	836.149	4.206.029	668.466	58.651	2.214.411	7.474.269	28.184.282	(32.689.084)	22.225.938
Environment	42.535.214	3.242.495	9.319.585	4.425.387	7.351.804	13.485.639	1.414.791	109.808	(1.653.674)	80.231.049
Finance	30.464.645	1.007.783	14.182.598	3.826.777	73.440	6.060.564	60.280.062	149.926.107	(43.509.511)	222.312.465
Forests	111.082.625	3.482.301	31.469.106	19.046.991	5.022.116	45.074.024	1.926.885	427.619	(2.276.875)	215.254.792
Health	192.214.942	4.241.368	28.718.341	24.046.431	1.600.000	37.701.381	2.154.097.778	8.292.783	(14.636.927)	2.436.276.097
Human Resources	124.913.437	3.444.227	107.786.755	7.557.780	733.188	30.859.279	1.104.619.075	1.142.975	(2.504.991)	1.378.551.725
Industry and Small Business Development	6.323.787	529.021	2.778.369	323.686		1.250.527	100.249.756	358.947		111.814.093
Intergovernmental Relations	1.444.847	100.160	111.301	367.900		62.496	45.000	52.142		2.183.846
Labour	22.576.289	1.732.804	3.775.869	916.622	193.621	3.132.956	7.817.054	13.465.816	(1.289.406)	52.321.625
Lands, Parks and Housing	33.074.382	1.094.102	3.440.410	7.101.031	1.967.165	5.921.457	37.815.279	19.699.162	(1.625.830)	108.487.158
Municipal Affairs	3.473.010	165.668	345.304	122.722		551.808	4.863.754	210.087.760	(1.574)	219.608.452
Provincial Secretary and Government Services	39.611.344	1.203.660	30.640.699	20.555.687	243.015	14.635.061	7.240.413	164.344.255	(29.311.621)	249.162.513
Tourism	2.973.833	265.883	2.456.329	391.126		902.524	716.175	84.781	(1.807.306)	5.983.345
Transportation and Highways	175.499.305	7.397.118	13.138.794	103.016.706	110.476.839	107.450.563	57.200.318	472.736	(12.950.948)	561.701.431
Universities, Science and Communications	3.133.409	101.041	199.472	163.618	39.455	29.271.659	365.649.846	8.426.392	(4.197.815)	402.787.077
Employment Development Account	14.143.236	1.757.278	19.401.503	12.354.579	161.711.524	15.814.731	25.147.347	1.257	(10.521.313)	239.810.142
Other Expenditure							130.054.986			130.054.986
Less Transfers to Special Funds								(251.364.058)[1]		(251.364.058)
Special Funds	660.161	64.598	1.157.561	243.616	36.276	335.893	273.861.455	743.337.762	(275)	1.019.697.047
Less Transfers to General Fund								(678.360.662)[2]		(678.360.662)
Combined Expenditure	996.445.727	37.706.401	392.758.216	237.794.697	292.265.580	384.052.395	6.395.671.616	460.539.263	(857.357.875)	8.339.876.020
Comparative—1983 Combined Expenditure	1.009.922.949	42.602.346	381.727.186	235.781.462	185.570.556	317.165.213	5.917.706.091	555.705.855	(1.132.886.891)	7.513.294.767

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[1] Transfers to Special Funds of $251.364.058 include Agriculture (Farm Income Assurance) $31.843.481, Municipal Affairs (Revenue Sharing Fund) $210.000.000 and Industrial Development Subsidiary Agreement Loan Repayment Revolving $9.520.577.

[2] Transfer to the General Fund of $678.360.662 is composed of revenue from the Resource Revenue Stabilization Fund.

Table 7.9

Special Funds Transactions and Balances for the Fiscal Year Ended March 31, 1984 (Unaudited)

	Balance March 31, 1983[3]	Revenue and Transfers[2]	Expenditures and Transfers[1]	Balance March 31, 1984[3]
Perpetual Funds—				
British Columbia Cultural—	$	$	$	$
Capital Account	20,000,000			20,000,000
Current Account	481,018	1,603,703	1,552,366	532,355
First Citizens'—				
Capital Account	25,000,000			25,000,000
Current Account	1,969,667	2,001,235	2,724,330	1,246,572
Physical Fitness and Amateur Sports—				
Capital Account	20,000,000			20,000,000
Current Account	1,168,953	1,611,666	2,130,389	650,230
	68,619,638	5,216,604	6,407,085	67,429,157
Other Funds—				
Farm Income Assurance[2,3]—				
Contributed reserve	9,674,624			9,674,624
Operating balance	(11,573,095)	64,112,130	58,851,955	(6,312,920)
Habitat Conservation	96,223	1,775,435	750,458	1,121,200
Industrial Development Subsidiary Agreement Loan Repayment Revolving[2]	19,866,042	12,122,506	6,061,253	25,927,295
Lottery	27,913,765	60,021,992	58,491,446	29,444,311
Resource Revenue Stabilization[1]		678,360,662	678,360,662	
Revenue Sharing[2]	30,838,552	210,000,000	210,710,607	30,127,945
Miscellaneous Statutory Accounts[1]	63,581		63,581	
	76,879,692	1,026,392,725	1,013,289,962	89,982,455
Total Special Funds	**145,499,330**	**1,031,609,329**	**1,019,697,047**	**157,411,612**

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[1] Special Fund expenditures include amounts transferred as revenue to the General Fund or Trust Funds under Administration as follows

Dairy Producers Protection Fund has been determined to be a Trust Fund and its assets have been transferred outside the Consolidated Revenue Fund to Trust Funds under Administration

All receipts of the Resource Revenue Stabilization Fund have been transferred to the General Fund by order of the Lieutenant Governor in Council under section 4 of the *Resource Revenue Stabilization Fund Act*

[2] Special Fund revenues include amounts transferred as expenditures from the General Fund as follows

Farm Income Assurance Fund—$31,843,481

Industrial Development Subsidiary Agreement Loan Repayment Revolving Fund—$9,520,577

Revenue Sharing Fund—$210,000,000

[3] Balance of the Farm Income Assurance Fund has been separated into its components of a contributed reserve for stabilization account and operating or current account balance The contributed reserve represents the remains of advances made by the provincial government to the Fund to cover short term deficits of individual programs

Table 7.10

Province of British Columbia Direct and Guaranteed Debt at March 31, 1984 (Unaudited)

Direct Debt

	Net Outstanding
	$
For the purpose of the Province of British Columbia	1,591,194,884
For the purpose of Provincial Crown Corporations and certain local government bodies	249,658,231
	1,840,853,115

Guaranteed Debt

Government of British Columbia Guaranteed Debt of Provincial Crown Corporations, Municipal and Other Local Governments, and Private Enterprises

	1984			1983
	Gross Outstanding[2]	Sinking Funds	Net Outstanding	Net Outstanding
	$	$	$	$
Social and Government services—				
(1) Guarantees authorized pursuant to the *British Columbia Buildings Corporation Act*, sec. 13[1]—				
Debentures — funded	523,526,635	21,862,334	501,664,301	488,013,451
Notes — unfunded	60,052,027		60,052,027	75,272,192
(2) Guarantees authorized pursuant to the *Educational Institution Capital Finance Act*, sec. 9	435,772,869			
Less: held by British Columbia Educational Institutions Capital Financing Authority	(27,958,018)			
	407,814,851	22,535,913	385,278,938	310,608,785
(3) Greater Vancouver Sewerage and Drainage District debentures (some serials)	10,345,080	10,345,080		
(4) Guarantees authorized pursuant to the *Hospital District Act*, sec. 41	840,151,558			
Less: held by British Columbia Regional Hospital Districts Financing Authority	(840,151,558)			
(5) Guarantees authorized pursuant to the *Hospital District Finance Act*, sec. 9 —				
Debentures — funded[1]	939,263,656	197,732,426	741,531,230	686,799,288
(6) Guarantees authorized pursuant to the *Municipalities Assistance Act*, sec. 3 (serials)	8,795,003		8,795,003	14,892,573
(7) Guarantees authorized pursuant to the *Municipal Act*, part 25, sec. 854, debentures (principally serials)	24,849,056	8,614,573	16,234,483	17,387,901
(8) Guarantees authorized pursuant to the *School Act*, sec. 232 (principally funded)	1,288,097,592			
Less: held by British Columbia School Districts Capital Financing Authority	(1,288,097,592)			

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[1] Details of maturity dates, interest rates and redemption features of the outstanding debt of these Crown agencies are published in the Public Accounts

[2] Gross outstanding debt as at March 31, 1984 includes accrued interest of $445.4 million. Debt payable in United States currency is recorded in Canadian dollars at the rate of exchange prevailing at March 31, 1984

Table 7.10

Province of British Columbia Direct and Guaranteed Debt at March 31. 1984 (Unaudited) — *Continued*

Guaranteed Debt

Government of British Columbia Guaranteed Debt of Provincial Crown Corporations. Municipal and Other Local Governments. and Private Enterprises — *Continued*

	1984			1983
	Gross Outstanding[2]	Sinking Funds	Net Outstanding	Net Outstanding
	$	$	$	$
(9) Guarantees authorized pursuant to the *School District Capital Finance Act*. sec. 9[1]—				
Debentures — funded	1.533.119.342	529.449.622	1.003.669.720	1.013.943.981
— unfunded	4.245.316		4.245.316	8.022.681
(10) Guarantees authorized pursuant to the *System Act*. sec. 20[1]—				
Debentures — funded	52.912.225	1.272.417	51.639.808	51.804.419
Notes — unfunded				2.689.906
Subtotal. social and government services	3.564.923.191	791.812.365	2.773.110.826	2.669.435.177
Economic development —				
(11) Guarantees authorized pursuant to the *British Columbia Cellulose Company Act*. sec. 8[1]—	9.053.926		9.053.926	13.130.046
(12) Guarantees authorized pursuant to the *Ferry Corporation Act*. sec. 18[1]—				
Bonds and debentures—unfunded series	43.559.025		43.559.025	28.688.686
Notes				30.271.068
(13) Guarantees authorized pursuant to the *British Columbia Railway Finance Act*. sec. 10[1]—				
Bonds and debentures—funded	774.990.612	154.142.037	620.848.575	642.875.212
Notes—unfunded	373.536.816		373.536.816	233.775.244
Capital leases	26.759.497		26.759.497	
(14) Guarantees authorized pursuant to the *Ministry of Transportation and Highways Act*. sec. 66. re: British Columbia Steamship Company (1975) Ltd.[1]	4.782.119		4.782.119	3.936.895
(15) Guarantees authorized pursuant to the *British Columbia Transit Act*. sec. 22[1]—				
Bonds and debentures	78.821.867	398.740	78.423.127	37.648.682
Notes	101.228.767		101.228.767	20.005.068
Capital leases	60.533.101		60.533.101	26.429.242
(16) Guarantees authorized pursuant to the *Farm Product Industry Act*. sec. 2	3.807.820		3.807.820	4.118.039
(17) Guarantees authorized pursuant to the *Agricultural Credit Act*. sec. 3	3.494.510		3.494.510	4.249.675
(18) Guarantees authorized pursuant to the *Harbour Board Act*. secs. 18 and 30.1[1]	6.300.510		6.300.510	6.226.751

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[1] Details of maturity dates, interest rates and redemption features of the outstanding debt of these Crown agencies are published in the Public Accounts

[2] Gross outstanding debt as at March 31. 1984 includes accrued interest of $445.4 million. Debt payable in United States currency is recorded in Canadian dollars at the rate of exchange prevailing at March 31. 1984

Table 7.10

Province of British Columbia Direct and Guaranteed Debt at March 31, 1984 (Unaudited) — *Continued*

Guaranteed Debt

Government of British Columbia Guaranteed Debt of Provincial Crown Corporations, Municipal and Other Local Governments, and Private Enterprises — *Continued*

	1984			1983
	Gross Outstanding[2]	Sinking Funds	Net Outstanding	Net Outstanding
	$	$	$	$
(19) Guarantees authorized pursuant to the *Housing and Employment Development Financing Act*, secs. 5 and 6[1]—				
Bonds and debentures	193,973,513		193,973,513	6,191,788
Notes				2,012,888
(20) Indemnities authorized pursuant to the *Financial Administration Act*, sec. 56 — W.L.C. Developments Ltd.	9,225,872		9,225,872	
Subtotal, economic development	1,690,067,955	154,540,777	1,535,527,178	1,059,559,284
Commercial —				
(21) Guarantees authorized pursuant to the *British Columbia Place Act*, sec. 6[1]	31,516,233		31,516,233	
(22) Guarantees authorized pursuant to the *Development Corporation Act*, sec. 15[1] — Bonds	263,949,579			
Less: held by the British Columbia Housing and Employment Development Financing Authority	(182,509,798)			
	81,439,781		81,439,781	142,934,301
Notes	62,229,003		62,229,003	
(23) Guarantees authorized pursuant to the *Hydro and Power Authority Act*, sec. 44[1]—				
Bonds and debentures—funded	9,061,164,502	727,015,956	8,334,148,546	7,661,336,557
(24) Guarantees authorized pursuant to the *Petroleum Corporation Act*, secs. 10 and 12[1]	30,009,349		30,009,349	30,009,349
Subtotal, commercial	9,266,358,868	727,015,956	8,539,342,912	7,834,280,207
Grand total, all guaranteed debt	14,521,350,014	1,673,369,098	12,847,980,916	11,563,274,668
Less: Amounts included above held as investments by General and Special Purpose Funds	94,141,094	19,710,984	74,430,110	136,427,866
Net total, all guaranteed debt	14,427,208,920	1,653,658,114	12,773,550,806	11,426,846,802

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[1] Details of maturity dates, interest rates and redemption features of the outstanding debt of these Crown agencies are published in the Public Accounts

[2] Gross outstanding debt as at March 31, 1984 includes accrued interest of $445.4 million. Debt payable in United States currency is recorded in Canadian dollars at the rate of exchange prevailing at March 31, 1984

Table 7.11

Provincial Government Loans, Investments and Advances, and Amounts Due from Crown Corporations and Agencies

Crown Corporations and Agencies	Loans to Crown Corporations	Investments in and Advances to Crown Corporations	Due From Crown Corporations and Agencies
	$	$	$
British Columbia Assessment Authority	3,563,106		
British Columbia Buildings Corporation	69,643,583	69,654,764	11,011,976
British Columbia Cellulose Company		2	
British Columbia Development Corporation		75,538,300	
British Columbia Ferry Corporation		5,849,700	
British Columbia Hydro and Power Authority		8,073,595	
British Columbia Petroleum Corporation			80,910,303
British Columbia Place Ltd.	33,703,844		
British Columbia Railway Company		37,350,601	
British Columbia Steamship Company (1975) Ltd.		5	
British Columbia Transit	99,000,000	55,000,000	
Expo 86 Corporation	43,747,698		
Housing Corporation of British Columbia		1	
Pacific Coach Lines Ltd.		2	
Provincial Rental Housing Corporation		29,801,558	
Surrey Farm Products Investments Ltd.		1	
W. L. C. Developments Ltd.		1	
Workers' Compensation Board			1,502,000
Total, Crown Corporations and Agencies	249,658,231	281,268,530	93,424,279

APPENDIX 8

LIEUTENANT GOVERNOR, EXECUTIVE COUNCIL AND MEMBERS OF THE THIRTY-THIRD LEGISLATIVE ASSEMBLY

LIEUTENANT GOVERNOR

The Honourable Robert Gordon Rogers

EXECUTIVE COUNCIL

Premier and President of the Council—Hon. William Richards Bennett, P.C.
Minister of Human Resources—Hon. Grace Mary McCarthy
Provincial Secretary and Minister of Government Services—Hon. James Roland Chabot
Attorney General—Hon. Brian R. D. Smith, Q.C.
Minister of Finance—Hon. Hugh Austin Curtis
Minister of Agriculture and Food—Hon. Harvey W. Schroeder
Minister of Education—Hon. John Herbert Heinrich
Minister of Labour—Hon. Robert H. McClelland
Minister of Municipal Affairs—Hon. William S. Ritchie
Minister of Transportation and Highways—Hon. Alexander Vaughan Fraser
Minister of Energy, Mines and Petroleum Resources—Hon. C. Stephen Rogers
Minister of Health—Hon. James Arthur Nielsen
Minister of Industry and Small Business Development—Hon. Donald McGray Phillips
Minister of Forests—Hon. Thomas Manville Waterland
Minister of Environment and Minister of Lands, Parks and Housing—Hon. Anthony J. Brummet
Minister of Consumer and Corporate Affairs—Hon. James J. Hewitt
Minister of Universities, Science and Communications—Hon. Patrick Lucey McGeer
Minister of Intergovernmental Relations—Hon. Garde Basil Gardom, Q.C.
Minister of Tourism—Hon. Claude Harry Richmond

THIRTY-THIRD LEGISLATIVE ASSEMBLY
(At July 1984)

Government Leader: Honourable William Richards Bennett

Speaker: Honourable K. Walter Davidson

Leader of the Opposition: Robert Evans Skelly

Deputy Speaker: W. Bruce Strachan

Clerk of the Legislative Assembly: Ian M. Horne, Q.C.

Sergeant-at-Arms: R. Nichol (Acting)

Barnes, Emery Oakland	New Democrat	Vancouver Centre
Bennett, Hon. William Richards, P.C.	Social Credit	Okanagan South
Blencoe, Robin	New Democrat	Victoria
Brown, Ms. Rosemary	New Democrat	Burnaby-Edmonds
Brummet, Hon. Anthony J.	Social Credit	North Peace River
Chabot, Hon. James Roland	Social Credit	Columbia River
Cocke, Dennis G.	New Democrat	New Westminster
Curtis, Hon. Hugh Austin	Social Credit	Saanich and the Islands
Dailly, Mrs. Eileen Elizabeth	New Democrat	Burnaby North
D'Arcy, Christopher	New Democrat	Rossland-Trail
Davidson, Hon. K. Walter	Social Credit	Delta
Davis, Hon. John, P.C.	Social Credit	North Vancouver-Seymour
Fraser, Hon. Alexander Vaughan	Social Credit	Cariboo
Fraser, Russell G.	Social Credit	Vancouver South
Gabelmann, Colin Stuart	New Democrat	North Island
Gardom, Hon. Garde Basil, Q.C.	Social Credit	Vancouver-Point Grey
Hanson, Gordon W.	New Democrat	Victoria
Heinrich, Hon. John Herbert	Social Credit	Prince George North
Hewitt, Hon. James J.	Social Credit	Boundary-Similkameen
Howard, Frank	New Democrat	Skeena
Johnston, Mrs. Rita M.	Social Credit	Surrey

Kempf, Jack Joseph	Social Credit	Omineca
Lauk, Gary Vernon	New Democrat	Vancouver Centre
Lea, Graham Richard	Independent	Prince Rupert
Lockstead, Donald Frederick	New Democrat	Mackenzie
Macdonald, Alexander Barrett, Q.C.	New Democrat	Vancouver East
McCarthy, Hon. Grace Mary	Social Credit	Vancouver-Little Mountain
McClelland, Hon. Robert H.	Social Credit	Langley
McGeer, Hon. Patrick Lucey	Social Credit	Vancouver-Point Grey
Michael, Clifford C.	Social Credit	Shuswap-Revelstoke
Mitchell, Frank John	New Democrat	Esquimalt-Port Renfrew
Mowat, Douglas L., C.M.	Social Credit	Vancouver-Little Mountain
Nicolson, Lorne	New Democrat	Nelson-Creston
Nielsen, Hon. James Arthur	Social Credit	Richmond
Parks, John M.	Social Credit	Maillardville-Coquitlam
Passarell, Alan Lawrence	New Democrat	Atlin
Pelton, F. C. Austin	Social Credit	Dewdney
Phillips, Hon. Donald McGray	Social Credit	South Peace River
Ree, Angus	Social Credit	N. Vancouver-Capilano
Reid, William E.	Social Credit	Surrey
Reynolds, John	Social Credit	W. Vancouver-Howe Sound
Richmond, Hon. Claude Harry	Social Credit	Kamloops
Ritchie, Hon. William S.	Social Credit	Central Fraser Valley
Rogers, Hon. C. Stephen	Social Credit	Vancouver South
Rose, Mark W.	New Democrat	Coquitlam-Moody
Sanford, Ms. Karen E.	New Democrat	Comox
Schroeder, Hon. Harvey W.	Social Credit	Chilliwack
Segarty, Terence Patrick	Social Credit	Kootenay
Skelly, Robert Evans	New Democrat	Alberni
Smith, Hon. Brian R. D., Q.C.	Social Credit	Oak Bay-Gordon Head
Strachan, William Bruce	Social Credit	Prince George South
Stupich, David Daniel	New Democrat	Nanaimo
Veitch, Elwood	Social Credit	Burnaby-Willingdon
Wallace, Mrs. Barbara B.	New Democrat	Cowichan-Malahat
Waterland, Hon. Thomas Manville	Social Credit	Yale-Lillooet
Vacant		Vancouver East
Vacant		Okanagan North

APPENDIX 9

THE MINISTRY OF FINANCE
(At July 1984)

Minister of Finance:
The Honourable Hugh A. Curtis

Deputy Minister: D. L. Emerson

Director of Information: C. L. Temple

Management Services Division
Executive Director: R. A. Messent

Directors:
- W. H. Bell (Personnel Services)
- J. G. Harvey (Information Systems)
- R. D. Krowchuk (Financial Services and Administration)
- K. J. Weir (Government Agencies) (Acting)

The Management Services Division is responsible for the central administrative functions of the ministry and for provision of certain government-wide services to other ministries and agencies. The 61 government agents located throughout the province (*see* Appendix 10) perform, at the local level, a wide variety of functions related to government administration and revenue collection.

Provincial Treasury
Assistant Deputy Minister: H. G. Ferguson

Directors:
- D. E. Allen (Central Borrowing and Planning)
- D. G. Pearce (Banking and Cash Management)
- T. E. Sumner (Registrar, Securities and Administration) (Acting)
- R. W. Vipond (Investment)

The Provincial Treasury is responsible for managing the financial assets and liabilities of the government. The Treasury assists the Minister of Finance by negotiating and completing capital financings to meet the funds requirements of the government and its corporations. The Treasury manages assets valued at $9 billion; forecasts, monitors and controls the annual cash flow of the Consolidated Revenue Fund and trusteed funds; and manages 1,700 government bank accounts.

Revenue Division
Assistant Deputy Minister: K. M. Lightbody

Directors:
- A. B. Carver (Income Taxation) (Acting)
- N. Mogensen (Revenue Administration)
- E. L. Munro (Surveyor of Taxes, Real Property Taxation)
- E. J. Turner (Executive Director, Consumer Taxation)

The Revenue Division is responsible for administering the province's major taxation legislation and collected more than $2.8 billion under 37 statutes in 1983 84. Taxpayer compliance is ensured and revenue maximized through consistent application of divisional programs: vendor education, taxpayer audit and assessment, accounts receivable control and appropriate collections activities.

Treasury Board Staff
Deputy Secretary: D. M. Hyndman

Directors:
- A. Eastwood (Financial and Economic Analysis)
- W. E. Evans (Economic Development Policy)
- L. T. Foster (Social Policy) (Acting)
- P. G. Halkett (Taxation and Intergovernmental Relations)
- F. J. Klassen (Government Estimates and Administrative Policy) (Acting)

Treasury Board Staff is responsible for planning, analysis and policy development with respect to economic, financial and management matters affecting the government and the province. Advice and support is provided to the government in forecasting and strategic planning and in acquisition, allocation and management of resources for the purpose of meeting government priorities.

Office of the Comptroller General
Comptroller General: D. B. Marson
Deputy Comptroller General: K. M. Prowse

Directors:
R. C. Corbeil (Policy Development)
F. G. Hepburn (Internal Audit)
A. R. Horner (Central Accounting) (Acting)
R. L. Hunter (Policy Implementation)
M. A. Petrie (Reporting and Analysis)
A. C. Pickering (Government Payroll Office) (Acting)
D. J. Sandell (Financial Disbursement Operations)

The Office of the Comptroller General establishes the accounting principles and practices governing the accounts of the province, as well as the financial control and reporting systems in use throughout government. The office maintains the central accounting, reporting and payment systems for the government and prepares the annual Public Accounts and related reports. In addition, the office advises and assists ministries in establishing and improving their accounting and control systems and provides an internal audit function for the independent review of the effectiveness and efficiency of financial control systems.

Purchasing Commission
Chairman: D. L. Emerson
Chief Executive Officer: C. S. Hutchings

Directors:
M. Churchill (Material Administration) (Acting)
J. Hopkins (Policy and Administration) (Acting)
F. Leonard (Procurement) (Acting)
S. Wiseman (Vendor Relations) (Acting)

The Purchasing Commission comprises a chairman and two members appointed by the Lieutenant Governor in Council and is responsible to the Legislative Assembly. The commission is responsible for procurement of supplies and material management, including provision of repair services. All commodity purchases and surplus disposal (redistribution and sales) for government ministries, commissions and certain Crown corporations are carried out by the Purchasing Commission, either by its own staff or by delegated authority monitored by the commission. From its warehouse, the commission sells new stock to clients and administers the government's surplus stores. The commission also negotiates material service contracts and operates an office technology maintenance and repair program.

Provincial Capital Commission
Chairman: P. D. P. Holmes

The Provincial Capital Commission funds and coordinates construction and development work for improvement and beautification projects in the Capital Improvement District usually in cooperation with local municipalities. It also manages a portfolio of "special interest" properties entrusted to it by the province. The commission has a 13 member board which includes 5 seats for the four Greater Victoria core municipalities, currently represented by 3 mayors and 2 aldermen.

APPENDIX 10

GOVERNMENT AGENCIES (At June 1984)

Government Agency	Telephone	Government Agent
Ashcroft	453-2412	E. J. Johnstone
Atlin	651-7577	P. Welock
Bella Coola	799-5361	J. Foster
Burns Lake	692-7117	J. Mufford
Campbell River	287-7488	B. Ketcham
Cassiar	778-7507	T.B.A.
Chetwynd	788-2239	M. Buckna
Chilliwack	792-6962	R. Carmichael
Clinton	459-2268	F. Westergaard
Courtenay	338-5391	D. Roberts
Cranbrook	489-3521	W. Anderson
Creston	428-2019	W. Forrester
Dawson Creek	782-5931	S. Minifie
Duncan	746-6183	A. Milton
Fernie	423-6845	L. Tripp
Fort Nelson	774-6945	C. Hall
Fort St. James	996-7585	S. Lane
Fort St. John	787-1111	J. Frey
Fraser Lake	699-6296	T.B.A.
Ganges	537-5414	B. Campbell
Golden	344-5221	J. Olson
Grand Forks	442-8642	S. Matsuo
Houston	845-2990	B. Lemley
Invermere	342-6617	B. Mackenzie
Kamloops	372-5233	W. Poohachoff
Kaslo	353-2219	J. James
Kelowna	762-2600	W. Tozer
Kitimat	632-6188	B. McCauley
Lillooet	256-7548	B. Hall
Mackenzie	997-4270	W. C. Christie
Maple Ridge	467-6901	K. Kelly
Merritt	378-6141	L. P. Lean
Nakusp	265-3646	J. Young
Nanaimo	754-2111	B. W. Hansen
Nelson	352-2211	E. R. McParlon
New Westminster	525-0375	G. S. Townsend
Oliver	498-3818	D. R. Blatchford
100 Mile House	395-4021	J. Dunsmuir
Penticton	493-1719	J. Bodard
Port Alberni	723-3501	B. Mundell
Port Hardy	949-6323	B. Newman
Powell River	485-2815	A. M. LaPointe
Prince George	562-8131	K. Saxby
Prince Rupert	624-2121	L. Finnigan
Princeton	295-6957	L. Marshall
Queen Charlotte City	559-4452	J. McIlveen
Quesnel	992-5591	R. Campbell
Revelstoke	837-3222	J. Torrance
Rossland	362-7324	A. Sherwood
Salmon Arm	832-9495	D. Koskimaki
Sechelt	885-5187	J. Hay
Smithers	847-4411	D. McMillan
Sparwood	425-6363	S. Arola
Squamish	898-9621	P. Lee
Stewart	636-9100	T.B.A.
Terrace	635-2041	R. Trombley
Ucluelet	726-7025	G. E. Schultz
Valemount	566-4448	T.B.A.
Vanderhoof	567-9238	E. Chubak
Vernon	545-2387	N. Schulz
Williams Lake	392-6261	J. Hoem

APPENDIX 11

MUNICIPAL POPULATION, 1981 CENSUS

Cities

Armstrong	2,683
Castlegar	6,902
Courtenay	9,019[1]
Cranbrook	15,915[1]
Dawson Creek	11,373[1]
Duncan	4,228
Enderby	1,816
Fernie	5,444[1]
Fort St. John	13,891[1]
Grand Forks	3,486
Greenwood	856
Kamloops	64,048
Kelowna	59,196
Kimberley	7,375
Langley	15,124
Merritt	6,110
Nanaimo	47,069
Nelson	9,143
New Westminster	38,550
North Vancouver	33,952
Penticton	23,186[1]
Port Alberni	19,894[1]
Port Coquitlam	27,535
Port Moody	14,917
Prince George	67,559
Prince Rupert	16,197
Quesnel	8,240
Revelstoke	9,082[1]
Rossland	3,967
Trail	9,599
Vancouver	414,281
Vernon	20,031[1]
Victoria	64,379
White Rock	13,550
Williams Lake	9,548[1]
	1,078,145

Districts

Abbotsford	12,745
Burnaby	136,494
Campbell River	16,022[1]
Central Saanich	9,890
Chetwynd	2,553[2]
Chilliwack	40,379
Coldstream	6,450[1]
Coquitlam	61,077
Delta	74,692
Elkford	3,126[1]
Esquimalt	15,870
Houston	3,921
Hudson's Hope	1,365
Invermere	1,969[2]
Kent	3,394
Kitimat	12,814
Langley	44,617
Logan Lake	2,637[2]
Mackenzie	5,890
Maple Ridge	32,232
Matsqui	42,001
Mission	20,056
New Hazelton	712
North Cowichan	18,210
North Saanich	6,117
North Vancouver	65,367
Oak Bay	16,994
Peachland	2,865
Pitt Meadows	6,209
Port Hardy	5,124[1]
Powell River	13,423
Richmond	96,154
Saanich	78,710
Salmon Arm	10,780
Spallumcheen	4,213
Sparwood	4,660[1]
Squamish	10,272
Stewart	1,456
Summerland	7,473
Surrey	147,138
Terrace	10,914
Tofino	1,006[2]
Tumbler Ridge	5
Vanderhoof	2,323[1]
West Vancouver	35,728
Whistler	1,370[1]
	1,097,417

Towns

Comox	6,607[1]
Creston	4,190
Gibsons	2,604[1]
Golden	3,476
Hope	3,205
Ladysmith	4,558
Osoyoos	2,738[2]
Parksville	5,299[1]
Port McNeill	2,474
Princeton	3,051
Qualicum Beach	2,844[2]
Sidney	7,946
Smithers	4,570
	53,562

Villages

Alert Bay	626
Ashcroft	2,156[1]
Belcarra	430
Burns Lake	1,777
Cache Creek	1,308
Chase	1,777
Clinton	804
Cumberland	1,964[1]
Fort Nelson	3,724
Fort St. James	2,284
Fraser Lake	1,543[1]
Fruitvale	1,904
Gold River	2,225
Granisle	1,430
Harrison Hot Springs	569
Hazelton	393
Kaslo	854
Keremeos	830
Lake Cowichan	2,443[1]
Lillooet	1,725
Lions Bay	1,078
Lumby	1,266[1]
Lytton	428
McBride	641
Masset	1,569
Midway	633
Montrose	1,229
Nakusp	1,495
New Denver	642
Oliver	1,908[1]
100 Mile House	1,925
Pemberton	287[1]
Port Alice	1,668
Port Clements	382[1]
Port Edward	989
Pouce Coupe	821[1]
Salmo	1,169
Sayward	482
Sechelt	1,096
Silverton	280
Slocan	351
Tahsis	1,739
Taylor	966
Telkwa	840
Ucluelet	1,593
Valemount	1,130
Warfield	1,969
Zeballos	329
	59,671

Summary

Cities	1,078,145
Districts	1,097,417
Towns	53,562
Villages	59,671
	2,288,795

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[1] Minister of Municipal Affairs certification for new incorporation or boundary change subsequent to 1981 census

[2] Status (category) change without boundary change

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Victoria, 1984

POOR

QUALITY

ORIGINAL